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ROBERT OWEN'S EQUITABLE LABOUR EXCHANGES

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Submitted for Batchelor of Philosophy degree

Arts Discipline

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Abstract

This study attempts to clarify the history of equitable exchange and Robert Owen's position within it. Owen is traditionally credited with devising both the concept of equitable exchange and with creating the exchanges that put it into practice. It is shown that Owen created the 'equitable principle of exchange' out of the well-known 'labour theory of value', to which he added his own communitarian and currency ideas. This was presented in the Report to the County of Lanark in 1821. He failed to follow this up with any practical advice but, following its popularisation by the 'Ricardian socialists' and some London co-operators in 1820s, practicalities were eventually discussed and proposed. Some of these people started their own independent exchanges between 1830 and 1832. This study demonstrates that Owen came under pressure from a variety of sources but primarily from these independent exchanges. He came to grips with practicalities probably only when he realised that things were getting out of hand. He then opened his three exchanges. The workings of these is examined in detail, as are the problems that they suffered. It becomes clear that the simple and natural system envisaged by Owen in the Report did not come about. The most important factor in the failure of the exchanges was the impossibility of equating supply and demand because the labour valuation fixed the market price rigidly. Unless similar controls could be placed on the market forces, such as exist in a totalitarian state, there was never any hope of success. The study continues beyond the closure of Owen's exchanges in 1834, to show that the subject did not die at this point, as has previously been thought. Several theorists wrote further upon the subject. Marx is shown to have been particularly influential. He added both to the theory and indirectly to its promotion in American co-operative and socialist communities in the late 19th century, where it experienced a final burst of interest.

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INTRODUCTION

So far as my reading or experience extends there is no example of a commercial movement so simple, necessary, and popular as the device of labour exchanges' - exciting so wide an interest and dying so soon, and becoming so very dead.

G. J. Holyoake ¹

Traditional histories of the co-operative movement and the biographies of Robert Owen have not given a great deal of attention to the subject of equitable labour exchange ². This is probably not surprising when one considers, not only that equitable exchange is generally accepted as having been a complete failure, but also because the period traditionally associated with equitable exchange, 1832 to 1834, is a very brief one, compared with the great length of, on the one hand, Robert Owen's life, and on the other hand, of the history of the co-operative movement. This study will, therefore, attempt to clarify Robert Owen's position in relation to equitable exchange. The writer has

1. G. J. Holyoake, The History of Co-operation in England (1875), vol.1, p.154.

2. For example: W. L. Sargent, Robert Owen and his Social Philosophy (London, 1860); A. J. Booth, Robert Owen, The Founder of Socialism in England (London, 1869); Lloyd Jones, The Life, Times and Labours of Robert Owen (cont. over)

found, however, in the course of research, that there were many proponents and practitioners of equitable exchange both before and after Owen, and since these have received hardly any recognition in previous studies, she has felt it necessary to widen somewhat the scope of the study in order to do justice to these other interesting individuals and their exchanges.

The accounts in the biographies by Frank Podmore and George Cole are the lengthiest, but it is probable that they give too Owen-centred a picture of events. For the impression that they do indeed give is that Owen master-minded both the theoretical basis and the practical realization of equitable exchange. This study will therefore be an investigation not only of Robert Owen's equitable labour exchanges but of his true place within the movement that bears his name. Before proceeding any further it would probably be advisable to explain briefly what 'Equitable Exchange' was intended to be. It was hoped that it would be a simple but effective system for providing working men with both a market and a fair price for their goods. Working people would bring their goods to the exchange and there

2. cont. (London, 1880), chap. XXXIV; G. J. Holyoake, *op.cit.*, chap. XV111; F. Podmore, Robert Owen; A Biography (London, 1906), chap. XV11; G. D. H. Cole, Robert Owen (London, 1925; H. W. Laidler, History of Socialism (London, 1944), chap. 10. Also of particular interest are the more recent: J. F. C. Harrison, Robert Owen and the Owenites in Britain and America (London, 1969,) & R. G. Garnett, Co-operation and the Owenite socialist communities in Britain, (Manchester, 1972). Other relevant works can be found in the bibliography.

exchange their products for those of their fellow workers through a medium of exchange called 'labour notes'. Every person would thereby not only find a market for all their goods but would find all their wants supplied and would in addition receive the full value of their labours, since no middleman would be depriving them of a percentage. It seemed to be, as G. J. Holyoake indicated, both simple and necessary. How it actually worked out in practice will, however, become apparent.

The investigation must inevitably begin with the origin of the idea and at this point, we shall be drawn immediately into the question of Owen's place in the development of the theoretical basis of equitable exchange. For both he and his Owenite disciples have left us with the impression that equitable exchange was first presented to the world in Owen's Report to the County of Lanark of 1821, which has largely been taken to be the case by the traditional histories, although interestingly enough G. J. Holyoake credited an American, Josiah Warren, with the idea ³. Owen's claim is an important but also perhaps an unlikely one, bearing in mind that in 1820 he was simply an industrialist and philanthropist and not a student of economic theory.

For equitable exchange was an offspring of the 'labour theory of value'— a complex subject that had been discussed for a long time and by such eminent economists as Adam Smith and David Ricardo. Owen's place and that of the so-called 'Ricardian Socialists', who followed him in the 1820s cannot, it is suggested, be as simple as we have been led

3. G. J. Holyoake, op. cit., p.158.

to believe. The theoretical basis of equitable exchange therefore must be traced and clarified.

The next area of study will be the practical realization of equitable labour exchange in the form of 'Exchanges', 'Banks' and 'Bazaars' as they were variously called. The overall impression that most people have is that Robert Owen was at the helm of these enterprises, organising and running them. There is no doubt that Owen was involved to some extent, but to what extent is disputable. It seems likely, as indicated earlier, that Owen's role has been exaggerated because he was an easy figure for researchers to latch on to, because his exchanges are quite well documented, as is his life. We hear briefly here and there of other exchanges but since they do not fit into the simple picture of Robert Owen's exchanges and since they were harder to investigate they have received far too little attention and credit. This study of the running of equitable exchanges will, therefore, cover all the known exchanges in so far as this is relevant to the study of Owen's exchanges. The following topics will be examined: how labour time valuations were made, how the labour note currency was used, how exactly exchanges were transacted and what back-up was required, such as book-keeping, capital, committees, management and counter staff. These matters relating to back-up are of interest because the theory as presented by Robert Owen had predicted a system of exchange that would be simple and natural: that would almost run itself. If one could show that the

exchanges required many controls and continuous amendments to working methods, which might even have compromised the whole spirit of equitable exchange, perhaps this might bring into question the viability of the whole idea.

As has already been indicated, this study is concerned to show, who else, apart from Robert Owen, was involved in the organisation and running of the exchanges. We know that the exchanges were intended for the working classes to use, but did they involve themselves in the organisation or running of any exchanges? One might expect this to be unlikely bearing in mind Owen's usual method of organising which was somewhat autocratic. One study has suggested that Owen's National Equitable Exchange was organised and run by shop-keepers, which seems odd for an establishment intent upon the demise of middle-men such as shop-keepers ⁴. Should this be confirmed, it might indicate that conflicting interests had also to be contended with along with all the other problems that the exchanges faced. A previous study by the present writer has indicated, also somewhat surprisingly, that Owen's Birmingham branch exchange had a great preponderance of Birmingham Political Union members amongst its founders ⁵. We should remember, however, that the country was at the time in a state of great unrest. Middle and working-class people were drawn into the ferment

4. W. H. Oliver, 'The Labour Exchange Phase of the Co-operative Movement', Oxford Economic Papers, New Series X, 1958.

5. Open University A401 undergraduate study by L.Fletcher, Birmingham Equitable Labour Exchange, 1978.

of agitation for press freedom, trade union recognition and national and local government reforms to name but a few of the activities that were drawing people in. The new exchanges were therefore perhaps considered to be another radical activity for people, already involved in one of the afore-mentioned agitations, to join. An attempt will therefore be made to clarify who the people were who were involved, and what were both their interests and their motives for becoming involved in equitable exchange. Again, the information may help provide additional clues to the reasons for the failure of the exchanges.

This leads to the last major question of this study and that will be to try to answer the question; why did equitable exchange fail?. At present such reasons as have been presented to readers consist largely of a disorganised conglomeration of fact and possible fiction. It is hoped to bring together all the possible reasons for failure , extract the valid ones and ascertain their relative significance.

Although it is generally accepted that the 'labour exchange period' of the co-operative movement ended in 1834; 'becoming so very dead' as G. J. Holyoake put it, it will be shown that this was not the case at all. It will be demonstrated that both the theoreticians and the practitioners persevered with the subject throughout the remainder of the century, although it has to be admitted hardly at all in Britain. The writer has given some consideration to these later developments in the hope that they may link in with the early Owenite exchanges and demonstrate modifications to

both the theory and the practice which may have improved the system. In addition, it has to be admitted that this area of the subject has received more attention than its links with Robert Owen might justify, because it has virtually been ignored by previous writers.

The thesis is based upon the standard secondary sources covering the economic, social and, in particular, the co-operative history of the nineteenth century. The primary sources have consisted of the letters, books and newspapers of co-operators and other radical souls of the time - especially the 1820s and 1830s. These are almost exclusively housed at the Co-operative Union Library, Manchester; the Co-operative College, Loughborough; the Bishopsgate Institute, London (Holyoake and Howell Collections); Goldsmiths' Library, University of London; and the British Library, including the Newspaper Library at Colindale. By far the most important source was Robert Owen's weekly newspaper, The Crisis, 1832-34. This contains a wealth of detail about the 'National' Equitable exchange and the Birmingham branch, including, not surprisingly when one considers the Owenite interest in knowledge and truth, reports on the problems of the exchanges. It is unfortunate that some primary source material about later experimentss has had to remain unseen as it is in America. As a result, the drawing both of parallels with Robert Owen's exchanges and conclusions about the influence of the Owenite exchanges on them, has been limited.

Chapter One

EQUITABLE EXCHANGE - THE THEORY

Equitable Exchange derived from an economic theory called the 'Labour Theory of Value'. This theory suggests that 'the relative values of commodities are governed exclusively by the relative quantities of labour necessary to produce them' ¹. What was Robert Owen's connection with the creation and development of both the labour theory of value and the idea of equitable exchange? Different people have presented different ideas on this subject.

Owen's contemporary equitable exchangers talked generally of 'Owen's principles' and 'his plan' and Owen himself referred often to his Report to the County of Lanark but, from reading the co-operative journals of the 1820s, it appears that co-operators regarded equitable exchange as something totally new and deriving wholly from Robert Owen. Of twentieth century writers, G. D. H. Cole claimed that

1. This definition of the labour theory of value is by G. J. Stigler in The History of Economics (Chicago, 1960), chap.12, p.326. The economics of the theory are discussed in detail in I. Steedman's The Value Controversy (London, 1981). Its history up to 1900 is best covered by A. Menger in The Right to the Whole Produce of Labour, trans. M. E. Tanner with intro. by H. S. Foxwell (London, 1899). General discussions are to be found in G. Lichtheim, A Short History of Socialism (London, 1970), pp.37-41; C. Napoleoni, Smith, Ricardo and Marx, trans. J. M. A. Gee, (Oxford, 1975), pp.38-41 and pp.70-79; M. Beer, History of British Socialism (London, 1919), pp.174-78; H. W. Laidler, History of Socialism (London, 1968 edn.), chap.16.

Owen, 'put forward the theory that labour is the true measure of the value of commodities' ². F. Podmore more cautiously suggests that Owen was, 'one of the first to propound... that the natural standard of value is human labour' ³.

Owen himself, although crediting himself with the creation of equitable labour exchanges, was more vague on the origins of the labour theory of value and the general idea of equitable labour exchange both of which he advocated for the first time in his Report to the County of Lanark in 1821. His writings tend to give no acknowledgment of the sources of most of his ideas - and the Report is no exception in this respect - which makes the search for the origins of equitable labour exchange more difficult and the conclusions less certain. It is clear, however, that the labour theory of value already had a long history before Owen appeared on the scene. It had been touched upon by Sir William Petty and Thomas Hobbes, the former having probably been influenced by the latter. They both noted the importance of labour in turning the fruits of the earth into wealth ⁴. John Locke was the first to look specifically at the subject of value and its relationship with labour, noting:

for it is labour indeed that puts the difference of value on everything...If we rightly consider things as they come to our use and cast up the

2. G. D. H. Cole, Robert Owen (London, 1925), p.198.

3. F. Podmore, Robert Owen, A Biography (London, 1906), p.403.

4. See C. H. Hull's Economic Writings of Sir W. Petty (Cambridge, 1899), p.lxxiii, and by J. R. McCulloch in his Introductory Discourse & Notes to Adam Smith's 'Wealth of Nations', 4th edn. (Edinburgh, 1850), p.xxviii. The writings they both make reference to are: T. Hobbes, Leviathan (1651) chap.24 and W. Petty, On Taxes and Contributions (1677)

several expenses about them, what on them is purely owing to nature and what to labour, we shall find, that in most of them ninety nine hundredths are wholly to be put on the account of labour. ⁵

Locke took as an example the most basic of nature's goods, that of water for drinking. He concluded that the water only became of value when someone exerted the necessary labour to scoop it out of the river. It seems that the intention of Locke, and probably also Petty and Hobbes, was both to prove the necessity of applying labour in order to create wealth and also to justify the acquisition of private property.

Locke said:

When man removed a thing from the state of nature and made it useful, he mixed with it his labour, and joined to it something that was unquestionably his own, and thereby made it his property... Labour is therefore the title to property. ⁶

It should be pointed out, however, that these writers were not thinking particularly of the labouring classes in these propositions but rather of the entrepreneurial class, like themselves. Beer summed up these writers well when he claimed that they simply used the link between labour and value to justify the acquisition of property - in particular the hard-won wealth of the self-made middle-classes as opposed to the unearned wealth and rank of the upper-classes which they considered to be unjustifiable ⁷. Another quite independent line of thought directed at least one man's attention towards labour value and this was

5. J. Locke, Two Treatises on Civil Government, 1690, /
(G.Routledge, 1884,edn.), p.211. 6. *ibid.*, p.206.
7. M. Beer, *op.cit.*, vol.3, p.175-8.

a Quaker, John Bellers. This is apparent in his Proposals for a Colledge of Husbandry (1696). He suggested the formation of self-sufficient communities for the unemployed and poor. He envisaged that the 'collegians' would labour at a wide spectrum of trades, thus enabling the community to be entirely self-supporting. The 'collegians' would receive back, through the community store, the foodstuffs and manufactured goods which they themselves had produced. No money would ever need to be involved in their transactions at the store. They would simply receive back in the form of goods what they had produced by their own labours. The result would, according to Bellers, be that, 'labour not money (would be) the standard to value all necessaries by' ⁸. This scheme was not based on economic theory but on a religious desire to rid the world of the evils of idleness and money. The implied labour theory of value within it simply expresses that the communarians could and would receive the neccessities of life exactly according to their labours because their labours would be represented by the goods in the store. Bellers' ideas seem not to have been taken up in his time and his work only became influential when a copy was discovered in 1817 by Francis Place, who passed it on to Robert Owen ⁹. The labour theory of value received its first critical examination from Adam Smith in

8. J. Bellers, Proposals for a Colledge of Husbandry (1696), reprinted in Appendix L, The Life of Robert Owen, written by himself (London, 1858 edn.), vol.1A, p.164.

9. Owen immediately published it in A New View of Society: Tracts Relative to this Subject (London, 1818). Details of its discovery are related in Owen's autobiography, p.240.

1776 in An Enquiry into the Nature and Causes of the Wealth of Nations the first book of which was entitled, 'The Cause of Improvement in the Productive Power of Labour, and of the order according to which its produce is naturally distributed among the different ranks of the people'. He looked at a simple manufacturing system in which the craftsman made an article using only his own labour. Smith decided that, since the natural materials used were given by providence, the total value of the object would be equal to the amount of labour that had been expended upon it. This value would then in justice be due to the creator of the article. However, Smith then examined the modern world with its complicated capitalistic organisation and its use of the 'division of labour' in manufacturing and concluded that the value of goods in the contemporary world consisted no longer just of labour but also of capital, rent and interest. He could see no way of returning, or reason to return to this earlier primitive state of society with its simple labour values.

In the late eighteenth century an implied labour theory of value also emerged in the writings of early socialists such as Thomas Spence and Dr. Charles Hall. They criticised capitalistic society and its unfairness to the workers. They looked for a 'ius naturale' for the working classes. Spence wrote:

It is labour alone that pays taxes and provides the means of support for every member of society. The labourer therefore is the first proprietor of everything in art and nature. 10

10. A. Davenport The Life, Writings and Principles of Thomas Spence (London, 1836), p.8.

Dr. Charles Hall proved in a statistical survey of the production and distribution of wealth that the workers produced eight-tenths of the wealth. The capitalists according to Hall, took seven-eighths of it in profit, rent and interest ¹¹.

Thomas Hodgskin similarly claimed that:

Capital is the produce of labour, and profit is nothing but a portion of that produce uncharitably exacted for permitting the labourer to consume what he has himself produced. ¹².

These men were, therefore, the first to combine the ideas of labour value and exploitation theory.

In 1817 the labour theory of value became topical again with the publication of David Ricardo's Principles of Political Economy and Taxation, in which Ricardo re-examined Adam Smith's conclusion that the labour theory of value could only apply in a primitive manufacturing system. Ricardo thought that if a labour theory of value applied in a primitive community it ought also to be valid in the complex contemporary world. His work was intended to prove that this was so. The contents were, however, ambiguous and a great debate immediately broke out amongst contemporary economic theorists, most notably Malthus, Mill,

11. Dr. C. Hall, Effects of Civilisation on the People of European States (London, 1805) quoted in R. G. Garnett, Co-operation and the Owenite Socialist Communities in Britain: 1825-1945 (Manchester, 1972), p.7.

12. T. Hodgskin, Travels in the North of Germany (Edinburgh, 1820), quoted in J. R. Knipe, 'Owenite Ideas and Institutions 1828-34', (M.A. thesis, Univ. of Wisconsin, 1967), p.39.

Say and Torrens, about whether Ricardo was suggesting a labour or a cost-of-production theory of value ¹³. Ricardo himself confused things further by almost immediately embarking on a series of revisions of the text. It seems likely that Ricardo did in fact try to argue for a labour theory of value but was gradually forced to introduce so many qualifications that in the end his theory was demolished. The whole subject is still the subject of much debate today ¹⁴.

Whether Ricardo was really advocating a full labour theory or not is not really of too great importance to this study. More important is the fact that some economists **thought** that he was, and what came to be known as the 'Ricardian labour theory of value' developed. Also significant for this study were the contemporary public debate and writings that resulted, for these undoubtedly drew Robert Owen to the subject, as we shall see.

Owen became publicly involved when he published the Report to the County of Lanark in 1821 ¹⁵. He was not an economic theorist and his background was one of essentially practical experience. Born in 1771 at Newtown, Montgomeryshire, the son of a saddler, he left home at the age of nine and

13. G. J. Stigler, op.cit., p.339 discusses this further. The debate was waged in T. Malthus' Principles of Political Economy (London, 1820); J. Mill's Elements of Political Economy (London, 1821); J. B. Say's Des Principes de l'économie politique et de l'impôt, trans. F. S. Constancio (Paris, 1819) and in R. Torrens' Essay on the Production of wealth (London, 1821).

14. See G. J. Stigler op.cit., chap.12.

15. The Report to the County of Lanark of a Plan for

started work in a London shop. By the age of twenty-nine he was manager and part owner of the cotton mills at New Lanark, in Scotland ¹⁵. His years in industry, at first in Manchester and then at New Lanark, made him conscious of the problems of low wages, long hours and unhealthy working and living conditions. By introducing new working and social practices in the mills he was rewarded with greater efficiency and profits as well as an apparently happier and healthier workforce. He promulgated his ideas on poor relief and the influence of environment on man's character by means of lectures, books and the press. The result was that by 1820 he had become a nationally known and respected reformer.

His interest in economic theory probably derived not only from topical debate but also from his circle of acquaintances, since he had no formal education and read little. His son, Robert Dale Owen, tells us that, 'he usually glanced over books, without mastering them; after dismissing them with some curt remark as that, 'the radical errors shared by all men make books of comparatively little value' ¹⁷. His acquaintances included politicians and economists such as Godwin, Ricardo, Malthus, Place, Hulme, Mill, O'Connell and Cobbett ¹⁸.

15. Relieving Public Distress and Removing Discontent was written in 1819 (see 'Report of 3rd Co-operative Congress'), submitted to a general meeting on 1st May 1820 and published in 1821. (Hereafter cited as the Report).

16. For the standard biographies see ref. 1, Chapter One.

17. R. D. Owen, Threading My Way (London, 1874), p.67.

18. *ibid.*, p.67.

The Report was intended to identify the county of Lanark's economic problems, to offer a solution and at the same time to solve the perennial problem of the nation's poor and unemployed. Since, in doing this, Owen introduced the concept of equitable exchange and the Report has been taken by both contemporaries and later writers as the source of the idea of equitable exchange, it is important to look at it in some detail and determine what Owen proposed and whether they were his own original ideas.

His first proposition in the Report was:

that manual labour, properly directed, is
the source of all wealth. ¹⁹

We have already seen that the idea that labour was the creator of wealth had been discussed by several politicians and economists from the seventeenth century onwards. The words, 'properly directed', seem to imply that Owen believed that the labouring classes needed the entrepreneurial skills of the upper and middle classes to ensure that the worker achieved his full potential in both production and wages.

Following on from this, the next statement:

That which can create new wealth is of
course worth the wealth which it creates. ²⁰

is also ambiguous. Owen may simply have been restating the basic idea expressed by the seventeenth century writers' idea that justified the acquisition of wealth by entrepreneurs. Alternatively one could interpret Owen as making the revolutionary statement that the working classes

19. Report, part 1, p.6.

20. ibid., part 11, p.19.

who did physical toil should receive the full value they created, rather than the entrepreneur or the providers of capital. It depends upon one's interpretation of the words: 'create new wealth' and whether Owen meant that the wage labour was the one who created new wealth as he worked, or whether it was the entrepreneur to whom was credited the finished product. The later 'Ricardian socialists' took Owen to mean the former but, bearing in mind Owen's frequent changes of mind on this subject, which we shall see, and also his generally conservative attitudes, it is very hard to make a definite interpretation of his words. In any case Owen's statement was not novel for, from the revolutionary standpoint, it had already been stated by Spence and Hall.

In order to put these principles into practice, Owen utilised a third supposition which related to value and exchange, that:

the natural standard of value is, in
principle, human labour. 21

This conclusion had, as we have seen, recently been resurrected by Ricardo, but Owen appears to have chosen to interpret Ricardo in a rather simplistic way. To achieve this he planned to change the economy by means of a new currency: 'a paper representative of the value of labour, manufactured on the principle of the new notes of the Bank of England' ²². Here Owen was once again drawing upon a topical debate.

In 1797 the Bank of England had abandoned cash payments and

21. *ibid.*, part 1, p.6.

22. *ibid.*, part 111, p.52.

adopted a representative paper currency. At the end of the Napoleonic Wars there were several parliamentary debates and meetings of the Bullion Committee to decide whether the country should return to a metallic currency. The debate was pursued in newspapers and other publications, and in a country where there was no monopoly in the production of paper money, all sorts of monetary schemes were proposed. Paper currency was advocated by some as the means towards a Utopian state of society. Typical was Thomas Attwood who thought and wrote in these terms. In 1818 Attwood suggested the introduction of a paper currency issued in quantity up to the value of a fully occupied labour force ²³. Owen's interest in currency reform is evident from the lengthy description in the Report of currency developments from 1797 ²⁴. His own particular suggestion was the introduction of a currency representing hours of labour. This was to represent 'real and unchanging value' and would only be increased as 'substantial wealth' increased ²⁵. In order for the system to work he recognised that it would be necessary to ascertain the quantity of labour expended in the manufacture of goods.

23. T. Attwood, Observations on Currency, Population and Pauperism (Birmingham, 1818), cited in A. Briggs, 'Thomas Attwood and the Economic Background of the Birmingham Political Union', Cambridge History Journal (1948), p.205.

24. Report, 1, pp.5-6.

25. ibid., 11, p.21.

This, he claimed, would be easy:

 this is in fact, already accomplished, and is denoted, by what in commerce is technically termed 'prime cost', or the net value of the whole labour contained in any article of value - the material contained in, or consumed by, the manufacture of the article, forming a part of the whole labour. ²⁶

He did not, however, differentiate between different types of labour. He chose to value all labour in terms of the amount done by, 'an average labourer...(in) temperate exertions' ²⁷. He must have been aware of the different rewards traditionally received by the more highly skilled or more industrious workers but, since he does not mention this in the Report, we must presume that he thought that, in the harmonious atmosphere of community living, everyone would be content to be recompensed equally. Although contemporaries were looking at different ways of changing the currency and aiding the economy, only Owen came upon the idea of a labour-based currency. This appears to be entirely novel and Owen can claim full credit for its creation.

The other medium which Owen intended to be used to solve the nation's problems was to be the 'self sufficient community'. This solution derived both from reading and from practical experience. The former was his study of the previously mentioned John Bellers and of W. S. Warder's description of the American Shaker communities ²⁸. He had

26. ibid., 11, p.20.

27. ibid., 11, p.21.

28. W. S. Warder, A Brief Sketch of the Religious Society of People called Shakers (n.d.), reprinted in A New View of Society Tracts Relative.. (1818).

also previously suggested community living as a solution to poor relief in 1817 ²⁹. The latter had been provided by his years at New Lanark where he developed his mills in such a way as to become what J. F. C. Harrison termed a 'factory colony' ³⁰. So the community situation seems to have eventually presented itself as the ideal situation to put into practice his ideas on labour value and currency. He saw such a community as providing the perfect market situation. Supply and demand would always be equal. Production would in fact bring about demand. The whole of the community's labours would be represented by the food and manufactured goods in the community store. The communitarians would be free to consume everything in that store and so would in effect be consuming the full value of their labours. He described his plan as, 'the only equitable principle of exchange' - the first use of the words 'equitable' and 'exchange' in conjunction ³¹.

Owen described the idea as being both simple and natural. As a result, it seems, he considered a detailed plan of how such communities would run, to be unnecessary.

Owen's plan was, therefore, based upon topical economic theory, current events and his own experience of management at New Lanark. It was to be a simultaneous solution to poverty, unemployment, trade depressions, currency problems

29. R. Owen, Report to the Committee of the Association for the Relief of the Manufacturing and Labouring Poor (London, 1817).

30. J. F. C. Harrison, Robert Owen and the Owenites in Britain and America (London, 1969), p.52.

31. Report, part 11, p.20.

and numerous social evils. The means was to be the 'self-sufficient community' with its natural and simple application of the labour theory of value. This apparently simple system appears to have been so convincing to Owen that he felt no need to develop the plan any further.

Before completing the evidence of Owen's originality in the Report there is one small enigmatic figure to be mentioned. He may be very significant or totally irrelevant: one Fulcrand Mazel. This gentleman opened equitable exchanges in France in the late 1820s and the 1830s but claimed to have first put forward the principles in 1818 ³². This interestingly co-incides with Owen's continental tour of that year during which he spent several weeks in Paris. Nowhere did Owen, however, mention meeting this gentleman although he did recall, late in life, that:

for six weeks (we) did ...luxuriate amidst the elite of the most distinguished men then in Paris; and I lost no opportunity of obtaining the best thoughts of these superior characters. 33

Owen gave little credit to the successes or ideas of others, as is witnessed by his general dismissal of David Dale's achievements at New Lanark, and so his failure to mention Mazel does not signify that they did not meet. Mazel claimed to have had some sort of interest in the subject as early as

32. F. Mazel et Cie., Statuts de la Societe Generale D'Echange (Paris, 1849); F. Mazel et Cie., Manifeste de la Societe Generale D'Echange (Paris, 1849); F. Mazel et Cie, Explication Sommaire des Statuts de la Societe Generale d'Echange (Paris, 1849).

33. ed. J. Butt, The Life of Robert Owen by Himself (London, 1972 edn.) p.170.

1818. His words (in translation) are that he:

brought to society the system of Exchange
that he invented and perfected, and since
1818 made the constant aim of his
industrial studies... 34

Of course it is possible that it was Owen who influenced
Mazel and unwittingly directed Mazel's attention towards
equitable exchange³⁵. It seems likely that the truth
concerning M. Mazel will never be known.

With the proviso that Mazel could have had some influence
on the contents of the Report, one must conclude that the
labour currency seems to have been novel but the other
component parts of the idea of equitable exchange, as
expressed in the Report, were derived from already existing
sources. Owen should, though, also be given due credit for
his amalgamation of ideas which produced the whole general
concept of 'equitable principle of exchange'.

It should be noted that this plan was for a mainly
agricultural society:

a whole population engaged in agriculture,
with manufactures as an appendage. 36

When equitable exchange finally developed it was,
paradoxically, a distinctly urban phenomenon, very different
from Owen's original conception.

At this point Owen left the country for the United States
and bought a ready-made community at New Harmony, Indiana,

34. F. Mazel et Cie., Statuts de la Societe Generale
d'Echange (Paris, 1849).

35. J. G. Courcelle-Senuil, Traite des Operations de Banque
(Paris, 1095 edn.), p.470 says (in translation) of equitable
exchange, 'It was expounded for the first time, at least to
my knowledge, in 1818 by M. Fulcrand Mazel'.

36. Report, 11, p.25.

in 1824. We must presume that he hoped to put into practice the ideas in the Report, and when Owen went to America he left behind in Britain a considerable following. People wanted to discuss his ideas on co-operation and put them into practice. As we have seen, from Petty to Ricardo, no-one had ever conceived of wage labour creating value but Owen, albeit probably unwittingly, put the revolutionary interpretation into the heads of co-operators and the latter started to use it in this way. The labour theory of value was taken up and discussed at length and publicly by both co-operators and a group of individuals who came to be called the 'Ricardian socialists' ³⁷, the three most important of whom were William Thompson, John Gray and Thomas Hodgskin ³⁸. The label 'Ricardian socialist' is misleading because it implies not only that they drew their ideas chiefly from Ricardo and that they held one common stance. Neither is really true. They in fact based their ideas on Mill and McCulloch ³⁹.

37. The Ricardian Socialists are discussed at length in E. Lowenthal, 'Ricardian Socialists', Studies in History, Economics and Public Law, XLVI, (1), (1911); A. Menger, op.cit.; M. Beer, op.cit., and in G. D. H. Cole, History of Socialist Thought: Vol.1: 1789 - 1850: The Forerunners (London, 1922).

38. Thompson's life is described in detail, albeit in perhaps questionably biased terms by R. K. Pankhurst in his William Thompson (1775-1833) Britain's Pioneer Socialist, Feminist, and Co-operator (London, 1954). For Hodgskin's biography see E. Halevy, Thomas Hodgskin (1903), ed. and trans. A. J. Taylor (London, 1956). Their chief works were: W. Thompson, An Enquiry into the Principles of the Distribution of Wealth most conducive to Human Happiness (London, 1824); J. Gray, A Lecture on Human Happiness (London, 1825); T. Hodgskin, Labour Defended from the Claims of Capital (London, 1825).

39. J. Mill, op. cit. and J. R. McCulloch, Principles of Political Economy (London, 1825).

who, although themselves disciples of Ricardo, had interpreted the latter in their own individual way, which was that, 'the expenditure of physical energy (labour) was the ultimate source of wealth or value' ⁴⁰. As regards the common stance implied by the term 'Ricardian socialists', Thompson and Gray **do** take a similar position, but this is quite different from Hodgskin. Thompson and Gray followed Owen's plan, for the application of the 'labour theory of value' through community living, quite closely. Thompson was against the competitive accumulation of wealth and, like Owen, interpreted the theory as meaning that all types of labour should be valued equally. The skilled or fast worker would have to be prepared to receive the same as the unskilled and slow. This he thought (like Owen) would be done willingly when people understood fully their role in the community and had absorbed the harmonious atmosphere of community life. Hodgskin, on the other hand, differed from both Thompson and Gray on this point. He interpreted the 'labour theory' as meaning that each worker should receive exactly what he had put into creating an article. The more skilful or harder working artisan would be better paid. He simply saw the 'labour theory of value' justifying a system of payment whereby working men would receive the full rewards for their efforts. This he envisaged happening in the existing competitive society. Hodgskin's approach was, therefore, closer to Owen's equitable exchanges as they eventually existed than the others, both in his rejection of communitarianism, and in his 'every man for himself'

approach to labour value ⁴¹.

In one way Gray had closer links than the others with equitable exchange through his interest in currency reform. Like Owen he considered that one of the chief problems of the country was the lack of an adequate currency, and suggested a paper currency whose volume could be made equal to the sum of all value created, as well as a network of associated 'National Banks' ⁴².

Another very influential and yet quite independent spirit to emerge in Owen's absence was Dr. William King of Brighton ⁴³. He helped to organise a co-operative group in Brighton in 1827 and, from 1828 to 1830, wrote and published a monthly journal entitled The Co-operator. The influence of this journal on the germinating co-operative movement seems to have been considerable and, above all, practical. The movement grew rapidly in the years 1828 to 1830 and the influence of this journal was credited with having, 'converted hundreds if not thousands to the cause' by 1832 ⁴⁴. It took co-operation out of

40. G. Lichtheim, op.cit., p.41.

41. T. Hodgskin, op.cit.

42. J. Gray, The Social System: A Treatise on the Principle of Exchange (Edinburgh, 1831). (n.b. The study by J. R. Knipe 'Owenite Ideas and Institutions' (M.A. thesis Univ. of Wisconsin, 1967), p.38, talks of Gray's proposed system of 'Rational Banks' but they were in fact 'National banks').

43. Biographies of Dr. King are: T. W. Mercer's Co-operation's Prophet, the Life and Letters of Dr. William King of Brighton (Manchester, 1947) and S. Pollard's 'Dr. William King of Ipswich: A Co-operative Pioneer', Co-operative College Papers, 6, (Loughborough, 1959).

44. T. Hirst, delegate to Fourth Co-operative Congress, reported by the Lancashire and Yorkshire Co-operator (1832), but printed by them separately.

the realms of fancy and brought it down to earth. Dr. King never actually talked of equitable exchange but his advocacy of co-operative manufacturing and retailing was later to be one of the elements that coalesced into equitable labour exchange. He objected to the grand scale on which all of Owen's plans were conceived and suggested instead that all that was necessary to embark on co-operation was a small group of people eager to help themselves. Such a group, he claimed, could work towards establishing a community in the long term by starting saving funds in a small way and then buying goods at wholesale prices and selling them to their members, charging a small percentage commission. When they had accumulated some spare capital in this way they could employ members to make articles for sale to the group. This plan for 'Do-It-Yourself' co-operation through trading was, it seems, largely responsible for the multitude of trading groups which sprang up in this period ⁴⁵. He not only directed people's aims away from community living but actually suggested that urban life might be preferable:

but if members choose to remain in a town instead of going into community, they may derive all the advantages from the Society which I have stated. ⁴⁶

45. Numbers of societies at this time are to be found in The Co-operator (1828-30), The British Co-operator (1830), and The Crisis, (1832).

46. The Co-operator, (4), August 1828, p.16.

One can safely say that by 1830 the co-operative movement had been won over from the long-term aim of communitarianism to the more immediate benefits of manufacturing and retailing. This trend is summed up by the editor of The Associate who declared that:

Trading Associations are better than
communities because they provide a
stepping stone 47

- that is, a starting point.

In the case of Owen, it is difficult to trace any pattern of development of ideas and actions on equitable exchange between 1821 and 1832. His years in America seem to be void of any indications of the development of the theory. Owen, no doubt, would have argued both that the theory needed no developing and that he was actually applying the principles of exchange while he was at New Harmony ⁴⁸. For here was a community in which each person received the full value of his efforts through the community store.

47. The Associate, April 1829, p.26-27.

48. Primary sources available to researchers in Britain are the New Harmony Gazette (1825-28) and Paul Brown's, Twelve Months in New Harmony (Cincinnati, 1827). The best secondary sources on New Harmony are A. E. Bestor, Backwoods Utopias (Philadelphia, 1950) ; J. F. C. Harrison, Robert Owen and the Owenites in Britain and America (London, 1969) and G. B. Lockwood The New Harmony Movement (New York, 1905).

When he went to New Harmony his constitution planned that:

At the end of every year a certain amount in value will be placed to the credit of each family and each individual..in proportion to their expenditure and to the services rendered by them.. commercial transactions of the community (with the outside world will be conducted for ready money or barter only. ⁴⁹

There must have been problems with this essentially very basic plan of working for by the autumn of 1826 changes were afoot. There were plans for the five newly-formed community groups to trade with one another by 'labor notes' for goods in the 'magazine' (general store) ⁵⁰. The few available sources in this country unfortunately tell the researcher neither whether the plan was ever put into practice nor the circumstances that brought about this first plan for introducing a labour currency. We have, therefore, no way of knowing whether it was Owen who brought up the subject again or one of the communitarians, such as Josiah Warren, whom we shall return to in Chapter Two. We **do** know that the 1825 constitution, written by Owen, part of which is quoted above, did **not** include plans for a labour currency so it may be that the Report directly inspired Warren or some other New Harmony member to suggest the application of the labour currency part of the Report.

49. New Harmony Gazette, 1.5.1825.

50. Both A. E. Bestor, op.cit., p.185 and J. F. C. Harrison, op.cit., p.202 say that labour notes were actually used at New Harmony. The newspaper quoted by Bestor (Shawnee-Town Illinois Gazette, Nov.11.1826, p.3, cols.1-2), however, reports only that notes were planned. It says: 'they held two meetings to make arrangements to establish a currency to circulate among themselves, which they termed labor notes which would be payable and receivable at their general magazine'.

The failure of New Harmony brought about Owen's return to Britain in 1827 for a visit and his permanent return in 1829. He returned to a thriving co-operative movement, which, from the internal evidence of its journals, appears to have looked up to him as its spiritual leader. It was a movement split between people trying to establish Owenite communities and those who put their trust in trading.

Owen's position on labour value and labour exchange, not just during 1829 to 1832 but during the whole of the period since he wrote the Report, is inconsistent and difficult to understand. As far as can be ascertained he never developed the theory or planned any practical application of equitable exchange prior to late 1831. He did, however, make a speech in 1827 to agriculturalists and manufacturers ⁵¹ restating the ideas in the Report and considering possible problems that the plan might incur. This became well-known in co-operative circles through its publication in the Co-operative Magazine in the same year ⁵².

On the other hand, William Watkins accused Owen of continually stonewalling any enquiries about the equitable exchange ⁵³. Some authors give the impression that Owen in this period took the lead in a decisive way. For example, Bonner talks of 'Owen's inspiration to organise a system of National Equitable Labour Exchanges' ⁵⁴. Similarly, Holyoake

51. R. Owen, Address to the Agriculturalists, Mechanics and Manufacturers of Great Britain (Bury, 1827).

52. Co-operative Magazine, 11, (10), p.438.

53. Letter from W. Watkins to R. Owen, dated 23.1.1832. (503 R.O).

54. A. Bonner, op.cit., pp.32-33.

claimed that, 'he (Owen) alone gave effect to the plan' ⁵⁵. Also Cole states that, 'This principle he (Owen) now sought to express in practice through the labour exchange' ⁵⁶ and Podmore implies that Owen was quick to take over the helm on his return from America ⁵⁷.

Owen in fact at this time showed no interest in anything that was not community based on his return to Britain. He said that, 'mere buying and selling formed no part of his grand co-operative schemes' and that, 'No part of the New World must resemble the old' ⁵⁸. Garnett suggests that Owen was converted to the establishment of equitable exchange because he considered it to be simply another type of communitarianism - or, as he puts it, 'variations upon the community theme' ⁵⁹. Harrison considers that Owen saw equitable labour exchanges as a, 'fresh approach, using new institutions and agencies' ⁶⁰. Perhaps this is true, for any student of Owen's life soon becomes aware of Owen's butterfly-like flitting from one scheme to another, ever in search of a new means of bringing about his New Moral World. In the case of the obviously thriving co-operative movement that Owen returned to Britain to, one is bound to wonder whether Owen was not also something of an opportunist,

55. G. J. Holyoake op.cit., p.158.

56. G. D. H. Cole, op.cit., pp.198-200.

57. F. Podmore, op.cit., p.405. Others also giving the same impression are: Lloyd Jones, The Life, Times and Labours of Robert Owen (London, 1889-90), chap.XXXIV; A. J. Booth, Robert Owen, The Founder of Socialism in England (London, 1869), p.145 and H. W. Laidler, op.cit., chap.10.

58. W. Lovett, op.cit., p.42 and R. Owen, Lectures on an Entire New State of Society (London, 1830), p.73.

59. R. Garnett, op.cit., p.46.

60. J. F. C. Harrison, op.cit., p.195.

simply using new 'institutions and agencies' as they presented themselves to him. The present writer's conclusion is that Owen resisted at first these attractions because equitable exchange really did not seem to him the way to bring about the New Moral World but ultimately pressure was brought upon him from so many sides - from both the co-operative movement and from individuals - that he finally capitulated.

The pressures that converged on Owen were diverse and yet interconnected. The co-operative movement as a whole became interested in the subject. This appears to stem both from the writings of the so-called Ricardian socialists in the mid 1820s, which co-operators discussed and became conversant with, and from the publication in the Co-operative Magazine in 1827 of his Address to the Agriculturalists..., which has already been noted. By 1829 and 1830 interest in the subject had really taken off. This is indicated by numerous references, in surviving journals, letters and reports, to equitable exchange. Leaders of London co-operative societies such as William Watkins, James Tucker, Benjamin Warden and William King, put to Owen the great interest of their societies in the subject of equitable exchange. Watkins wrote to Owen for clarification on the subject, describing how the interest of his group (First Western Union Co-operative Society) had grown:

One of our members introduced it first for public discussion...

after which they

discussed equitable exchange and formed a
sub-committee for the purpose of looking
further into it. ⁶¹

William Watkins was made the chairman of that sub-committee
- hence the letter.

The Co-operative Congresses of this period also testify to
the upsurge of interest. Their questionnaires to delegates
asked about trading activities and whether they were
considering and discussing equitable exchange ⁶².

Early in 1830 the British Association for the Promotion of
Co-operative Knowledge, with Tucker as chairman, had
discussed using 'exchangeable receipts' at their new store
at 19, Greville Street and decided to use their bazaar to
experiment with the concept, and Tucker published a design
for a labour note in the Weekly Free Press in January 1830
⁶³. (See plate 1)

Apart from James Tucker, the other individual to put most
pressure on Robert Owen was William King, a London
umbrella-maker (See appendix 1). He, along with Tucker, kept
up a lengthy correspondence in the Trades Free Press in
1829-30 and in later years King declared that he had done

61. Letter from W. Watkins to R. Owen, dated 23.1.1832.
(503 R.O.).

62. Co-operative Congress Reports, 1830-32. Goldsmiths
copies have questionnaires tucked in with each.

63. The Associate, Oct.1829, (6); B.A.P.C.K. Reports of the
Committee & Proceedings at the Third and Fourth Quarterly
Meetings, (1830); Trades Free Press 16.1.1830, p.4.

(n.b. There are references to a B.A.P.C.K. store and to a
1st London Co-operative Society store. Since both bodies
used the same building, 19 Greville St, it is very difficult
to ascertain who, exactly, ran the store at this particular
time).

his utmost to create an interest in the subject ⁶⁴. He said:

I have spent much time and labour in
endeavouring feebly to bring about a
public discussion in favour of (equitable
labour exchange). ⁶⁵

King not only wrote to the press. He and some of his friends published 80,000 leaflets on the subject of equitable labour exchange in 1831 ⁶⁶. All of the many titles appear to have been written by King. (See appendix 1)

King also started practical experiments purely pursuant of equitable exchange, such as the 'Union Exchange Society' in 1827 and the Gothic Hall Labour Bank early in 1832, further reference to which experiments will be made in Chapter Two.

Other experimenters also put pressure on Owen to make some move. The B.A.P.C.K. planned to introduce labour notes at the store at Greville Street as soon as they were able. The First Western Co-operative Union Exchange Bank opened in February 1832.

Making matters worse for Owen were the considerable economic pressures of the country. Members of the co-operative movement, suffering from unemployment or part-time working, obviously saw equitable exchanges as their possible salvation and they passed on requests for help. Watkins wrote to Owen that he had:

been frequently enquired of by members
and others, when the Labour Bank would be
established and my answers I found were...

64. Trades Free Press, 23.1.1827, p.174; 16.1.1830, p.4; 30.1.1830, p.4; 9.3.1830, p.4; 20.3.1830, p.4; 7.8.1830, p.4; 21.8.1830, p.4; 28.8.1830, p.4; 4.9.1830.
(See also 130 R.O.).

65. Letter from W. King to R. Owen, dated 10.5.32.
(544 R.O.).

66. Gazette of the Exchange Bazaars, (1), 29.9.1832, p.7.

not much relished by many who were looking
to that object as the means of employment-
I was going to say with starving anxiety.

67

The problem voiced by the members of the First Western Union probably reflects the economic problems of the whole nation. P. Mathias points to the years 1826-7 and 1830-31 as being years of heavy unemployment nationwide and, even though 1832 is generally recognised as marking the start of a boom period, Mathias suggests that, as far as London artisans were concerned, the 1830s should be called the 'Hungry Thirties', because, 'this was the decade when living standards were sapped most by rising prices' 68.

At the same time these were what G. D. H. Cole calls, 'years of high political excitement' 69. Frances Crouz t has noted the parallels between the economic and political life of the nation; that the:

rapid transformation of economic structures undermined the social structure, causing acute tensions and class conflicts. The result was a society that was under great stress and unstable...

Crouz t continues:

These conflicts were exacerbated by the violent economic fluctuations which punctuated the rise and fall of popular movements - radical, Owenite and Chartist.

70

67. Letter from W. Watkins to R. Owen, dated 23.1.36. (503 R.O.).

68. P. Mathias, The First Industrial Nation (London, 1969), pp.221-2.

69. G. D. H. Cole, A Century of Co-operation (Manchester, 1944), p.24.

70. Frances Crouz t, The Victorian Economy, trans. A. S. Forster (London, 1982 edn.), p.46.

Harrison too identifies the emergence of working men's organizations as significant to the radical change the Owenite movement experienced after 1829 ⁷¹.

In addition, newspaper publishers all over the country were agitating against taxation, which they viewed as a tax upon knowledge. The turmoil of the country must surely have been a prerequisite of the appearance of equitable exchanges for it created an atmosphere in which nothing was assumed to be valid simply because it was part of the scenery and any novel idea was considered worth trying as a replacement.

Also it should be noted that equitable labour exchange had 'wide-spread appeal'. 'Labour value' appealed to the socialists and co-operators; the new currency appealed to economists and followers of Attwood, and its employment possibilities appealed both to the philanthropic middle-classes and to the workers themselves. All in all, the whole idea seemed very attractive to everyone except Owen.

In the end, however, Owen seems to have become afraid of the burgeoning equitable exchange movement getting out of hand and decided he had better take the helm. Even after taking charge though, he was not whole-hearted in his support for the movement. At the opening of his National Exchange he described equitable exchange as only, 'perhaps the best preliminary mode to commence' the change to the New Moral World ⁷². It is hardly surprising that he should want to try to control the movement when he saw all sorts of

71. J. F. C. Harrison, op.cit., p.195.

72. The Crisis, 1, (23), 11.8.1832, p.90.

people putting into practice his ideas with his own name very prominently attached to them.

His inconsistent attitude towards this subject of his own invention seems to have been typical of Owen. E. P. Thompson describes Owen as 'a preposterous thinker' and a 'mischievous political leader' and R. G. Garnett similarly describes him as, 'psychologically incapable of consistent leadership' ⁷³. These are fairly typical conclusions of more recent studies of Owen. In the case of equitable exchange he developed an apparently simple idea which, probably without going into it in great detail, he put into print and this thereafter haunted his every move. The simplicity of the idea attracted others. The vagueness of it left the way open for people to discuss it, to elaborate on it, and experiment with it. Under the circumstances, he could hardly have continued to ignore all the interest and activity as this would have been taken as a denial of the validity of his plan and Owen was not the type of individual to admit that something he had done had been a failure - after all there was never the slightest hint that New Harmony had been a failure. He was, therefore, forced to try to put his equitable principle of exchange into practice.

73. E. P. Thompson, The Making of the English Working Class (1968, Pelican edn.), p.865 and R. G. Garnett, op.cit., p.14.

Chapter Two

PRINCIPLE INTO PRACTICE

It would be wrong to suppose that the principles of equitable exchange had never been put into practice before Robert Owen founded his 'National Equitable Labour Exchange'.

Equitable exchanges developed over a period of about five years from a variety of experimental co-operative trading ventures, to which was gradually added Owen's 'equitable exchange' ideas. It will be shown that these largely independent experiments - independent because of Owen's physical inaccessibility and because of his apparent lack of interest in any further discussion of the subject - resulted in the creation of equitable exchanges some time before Owen's National Equitable Labour Exchange.

i) EMBRYONIC EXCHANGES

It was in 1827 that trading along co-operative lines began. The stores that opened then bore very little

resemblance to the equitable exchanges of 1832-4 but in them we can see the germs of equitable exchange.

This was the start of an important period in the history of co-operation in which co-operative efforts became concentrated largely upon buying, selling and manufacturing. Retailing first came about as an aid to founding Owenite communities, for which huge amounts of capital were required. Trading became recognised as a way of raising these funds and it was first proposed by the London Co-operative Society in May 1827 in order to raise extra funds for their flagging 'Community Fund Association' - a branch of the L. C. S. whose aim was solely the raising of capital for a community ¹. The first trading group that is known to have actually got off the ground was, however, the Union Exchange Society run by William King, an umbrella-maker, and an associate, William Manning ². It was started about September 1827 in a hired room at the headquarters of the London Co-operative Society but was, to all intents and purposes, quite independent of the L. C. S. ³. The intention of this society was also,

1. The Co-operative Magazine, 1, (17), May 1827, p.221. (Hereafter referred to as Co-op Mag).

2. See Appendix 1 on William King.

3. Co-op Mag, 1, (21), Sept.1827, pp.421-2. By August 1830 they were meeting at Tottenham Court Road see Weekly Free Press, V, (268) 21.8.1830, p.4. (Hereafter cited as W.F.P.). (n.b. J. F. C. Harrison, in Robert Owen and the Owenites in Britain and America, (London, 1969), p.198, seems to think that the store for which W. Lovett and J. Watson were store-keepers was the Union Exchange Society store. The confusion arises from the fact that the Union Exchange Society rented a room from the London Co-operative Society at 19, Greville St. Watson and Lovett worked in the L. C. S. store but this had nothing at all to do with the Union Exchange Society).

initially, community fund-raising. About the same time the Brighton Co-operative and Benevolent Fund Association started a sister organisation which they also called a 'Trading Fund Association' ⁴. This had the two-fold aims of raising funds for benevolent purposes and of buying land for a community. The L. C. S. finally got their store off the ground in January 1828 at Red Lion Square ⁵. These pioneering stores were followed by ones at Birmingham, Belper, Hastings, Oxford and Poole in the period 1828-29 ⁶. Thereafter the evidence is that trading expanded very rapidly. We can take as an illustration of this the fact that, according to the British Co-operator, by April 1830 there were 42 co-operative groups in London of whom all but three were involved in trading of some sort ⁷. The majority of the groups trading were, like the L. C. S. and Brighton, engaged primarily in raising funds for founding communities, although there was, in addition, the attraction of cheaply priced goods for their members.

The next step towards the development of equitable exchanges was the move away from communitarianism. King's Union Exchange Society was the first trading group openly to change its aims from being communitarian. In December 1827

4. Co-op Mag, 11, (9), Sept. 1827, p.419.

5. The London Co-operative Society became the '1st London Co-operative Society'. Details of its early history are in Co-op Mag, 1, (2), Feb. 1826; The Associate, (2), June 1829; London Co-operative Trading Fund Association Rules, [1827] and L. C. T. F. Assoc, To the Operative Classes, [1828].

6. The Co-operator, 1828-30, and Birmingham Co-operative Herald, 1829-30, both record the appearance of these societies. (The latter hereafter: B.C.H.).

7. The British Co-operator, (1), April 1830, p.24.

it decided to split the profits of its trading each month between its members. This group declared that both the problem of safeguarding the accumulating funds and the experimental nature of this type of trading necessitated that, at least for the present, each member ought to look after his own accumulating capital to do with as he liked ⁸. The Brighton group followed this lead and by February 1828 had also decided to share out their profits. This they did through a two and a half percent 'drawback' (dividend) ⁹. A study by R. G. Garnett of the ten societies in Manchester and Salford formed between 1829 and 1830 shows that two of the ten had also decided to distribute the profits as dividends ¹⁰. The Birmingham society, however, when it started in November 1828 identified this as a dangerous trend and declared that, 'nothing in the way of profits of trade, or any part of the capital (should) be divided amongst the members' ¹¹. The general trend away from communitarianism and towards the more immediate benefits of trade, nevertheless, continued.

These 'depôts', 'stores' or 'bazaars', as they were variously called, dealt in the buying and selling of a limited range of goods dictated by the needs of their members. For example, the Union Exchange Society stocked 'some of the first necessities of life; such as bread,

8. Co-op Mag, 11, (12), Dec. 1827, p. 548.

9. Co-op Mag, 111, (2), Feb. 1828, p. 68.

10. R. G. Garnett, Robert Owen and the Owenite Socialist Communities in Britain, 1825-1945 (Manchester, 1972), p. 132.

11. [W. Parel], An Address Delivered at the Opening of the Birmingham Co-operative Society November 17. 1828, (Birmingham, 1828).

flour, cheese, bacon, butter, eggs, shoes, clothes, brushes, umbrellas, tea, blacking, bookbinding, soap (and) candles' ¹². The other stores seem mostly to have dealt in groceries, bread and meat; a pattern that the later exchanges found impossible to follow ¹³. All seem to have charged a percentage on prime cost to cover the rent and wages and to make a little profit too; a feature followed by the equitable exchanges. The Union Exchange Society, for example, charged ten per cent. This was a feature to be continued in equitable exchanges.

Meanwhile, equitable exchange took another step towards reality with the development of interest in co-operative manufacturing. Dr. King of Brighton popularised this by suggesting practical ways of starting the manufacture of goods. He had suggested that manufacturing would be the natural progression for trading associations once they had a little capital accumulated. He said:

What shall we do with our surplus capital?
The answer will be - employ one of your
own members in manufacturing shoes, or
clothes, &c. &c. for the rest; pay him the
usual wages and give the profits to the
common capital. 14

Dr. King recognised that manufacturing and using the co-operative store as the market place had great attractions. The benefits were now threefold: they could create capital, they could buy reasonably priced goods and they could employ members. Initially there were only

12. Co-op Mag, 11, (12), December 1827, p.547.

13. B.C.H., (1), 1.4.1829; (4), 1.7.1829; (6), 1.9.1829; The Co-operator, (6), 1.10.1829, p.2.

14. The Co-operator, (6), 1.10.1828, p.3.

tentative steps at manufacturing. For example, a shoemaker was employed by the Birmingham society; Chester did likewise ¹⁵. William Lovett described how this trend then developed:

As their funds increased some of them employed their members; such as shoemakers tailors, and other domestic trades: paying them journeymen's wages, and adding the profits to their funds...Many of them were also enabled by these means to raise sufficient capital to commence manufactures on a small scale; such as broadcloths, silk, linen, and worsted goods, shoes, hats, cutlery, furniture, &c

16

Lovett implies a gradual changeover to manufacturing but the sudden appearance in the co-operative journals in 1829 of numerous groups wanting to manufacture and sell on co-operative lines indicates a dramatic countrywide interest in this new activity ¹⁷. Some of these were Leicestershire knitters, Kidderminster carpet weavers, London parasol and umbrella makers, Spitalfields weavers, Norwich bombazine weavers and Huddersfield woollen cloth weavers. It soon became obvious that the small co-operative societies could not consume the large quantities of specialised manufactures being produced and this led to another step towards equitable exchange because wholesale depôts were planned as a result. The British Association for the Promotion of

15. B.C.H., (8), 1.11.1829; Chester Co-operative Chronicle, (3), 24.7.1830.

16. W. Lovett, The Life and Struggles of William Lovett in his Pursuit of Bread, Knowledge and Freedom, (London, 1876), p.41.

17. Birmingham Co-operative Herald, (3), 1.6.1829; (6), 1.9.1829; (8), 1.11.1829; The British Co-operator, (3), June 1830, p.60; Chester Co-operative Chronicle, (6), 1.10.1830.

Co-operative Knowledge, as we have seen, opened a bazaar early in 1830 ¹⁸. This soon developed into a centre for the sale and exchange of the manufactures of various co-operative London groups. The B.A.P.C.K. stated that it was hoped that this would become, 'a complete depôt for everything that human nature wants or that art can provide' ¹⁹. This is the first indication of thoughts being directed towards one central market place for the goods which was what Owen's fully fledged equitable exchanges were intended to be. Also in 1830 the 1st Liverpool Co-operative Society formed the Liverpool Wholesale Society, which it hoped would function as, 'the agent for all the societies in this part of the kingdom both in the purchase of goods for their stores and the disposal of the products of their industry' ²⁰. There was also some sort of wholesale trading at Shudehill, Manchester ²¹. The Liverpool depôt restricted itself to dealing with specific orders. It refused items sent 'on spec.' ²². The B.A.P.C.K. depôt, on the other hand, accepted anything delivered to them but since they worked on a 'sale or return' basis, they had nothing to lose by doing

18. The 'Association for the Promotion of Co-operative Knowledge' was founded in May 1829 as a centre for the dissemination of information on co-operation. By 1830 it had prefixed the title, 'British'. In April 1831, according to the Francis Place, the leaders of the B. A. P. C. K. created the National Union of the Working Classes out of the B. A. P. C. K. (Related in R. G. Garnett, op.cit., pp.135-6).

19. The British Co-operator, (3), June 1830, p.60.

20. B.C.H., (16), 1.7.1830. (This was later called the North West of England Co-operative Society).

21. Co-operative News, 6.8.1887, p.778.

22. B.C.H., (17), 1.8.1830, p.71.

this ²³. Amongst these early co-operative stores almost none considered Owen's idea of labour-time valuations or labour currency. This is perhaps because, at this stage, they were primarily concerned with fund-raising, that is coin-of-the-realm, but also no doubt because the subject of equitable exchange had not been fully discussed at that time and they were not really aware of the subject.

The Brighton Co-operative Benevolent Fund Association provides early evidence of an awareness of principles resembling those of equitable exchange in 1827. In November of that year they declared their intention of establishing an exchange which would:

introduce into practice... the interchange of the articles produced by their own labour at the real cost of production. This they expect to accomplish by having a Store, Repository or Exchange, in which a confidential agent will receive from members...such articles as they produce, and, according to a scale authorized by a committee or council of work, give them an order for other commodities in store to an equal value at prime cost, or a note for the value of so much labour as is brought in;

24

The originator of this plan is unfortunately not identified by the Brighton secretary but it may be that they had been influenced by the reports of William King's Union Exchange Society in the Co-operative Magazine, who in turn was drawing upon Owen's plan. This, however, fails to explain how the Brighton society came to be publicly advocating a fully fledged version of labour exchange and a labour currency when King in London was still only talking vaguely

23. W.F.P., V, (237), 23.1.1830, p.4.

24. Co-op Mag., November 1827, 1, pp.510-1.

in terms of 'exchanging labour' at this time.

It was not until 1829 that a general interest in Owen's labour valuation and labour currency becomes evident. No doubt the return of Owen to live permanently in England contributed to the revival of interest in his plan. Another possibility is that an equitable exchange, which opened in Paris in August 1829, which we will return to, influenced the British. There is no other obvious reason for its resurfacing again at this particular point in time. The idea of 'a bazaar where exchanges of co-operative produce should take place' was proposed by the Association for the Promotion of Co-operative Knowledge in October 1829 ²⁵. Since this association was the most influential co-operative body in the country its stated interest in equitable exchange would clearly have provided impetus to the subject. By January 1830 its chairman, James Tucker, as we saw in Chapter One, was advocating a labour exchange system with labour notes and had come up with his own design for a note (see plate 1). By mid 1830, however, their committee had concluded that the institution of a labour currency, seemed too difficult to implement at that time ²⁶.

America and France were in fact the two places to provide the first proper equitable labour exchanges, if the use of a

25. The Associate, (6), October 1829, p.40. I. Prothero, in Artisans and Politics in Early Nineteenth Century London: John Gast and his Times (Folkestone, 1979), p.245, says that the B. A. F. C. K. printed notes with co-operative symbols which could be exchanged for goods in the store but gives no source for this information and it seems to be incorrect. All they did was discuss the subject.

26. The British Co-operator, (2), May 1830, p.47

labour currency is regarded as the chief distinguishing feature of exchanges. In America, Josiah Warren, who had been with Owen at New Harmony, settled at Cincinnati and opened what he called an 'Equity Store' in May 1827 ²⁷. This came to be known as the 'Time Store' by the inhabitants of Cincinnati and seems to have been modestly successful. Warren's biographer, W. Bailie, states that Warren had been disappointed by, 'the suppression of individuality, the lack of initiative, and the absence of personal responsibility' at New Harmony ²⁸.

Warren envisaged his Time Store as ensuring that the individual received exactly the value of his labour. Although he sold goods for cash, he charged people for the time he spent in serving them by issuing them with labour notes, which apparently resembled I. O. U s. He also received goods in this manner but it is not clear whether this was just some of the goods or all.

The next exchange to open was in Paris in August 1829. Fulcrand Mazel, a French co-operator mentioned in Chapter One for his claim to have developed equitable exchange, was behind this venture. It was reported to have had a thousand

27. The chief biographical work on Josiah Warren is W. Bailie, Josiah Warren, the First American Anarchist (Boston, 1906). A summary of Bailie's research is to be found in G. B. Lockwood's, earlier The New Harmony Movement (New York, 1905), chap.XX1.

(n.b. According to J. G. Knapp, in The Rise of American Co-operative Enterprise, 1620-1920 (1969), p.13, an offshoot of Warren's Time Store was founded in Philadelphia in 1828 and was called 'The Producers Exchange of Labour for Labour Association').

28. Quoted in G. B. Lockwood, *ibid.*, p.296.

depositors and to have used a labour currency ²⁹. Whilst Josiah Warren's efforts went completely unnoticed in Britain, the Paris exchange was visited by the co-operator, P. O. Skene, and mentioned by William King in the Birmingham Co-operative Herald ³⁰. The Parisian exchange certainly influenced one British co-operator, William King, the umbrella-maker. It has to be admitted that he was thinking along equitable exchange lines before he read of the Parisian exchange but it seems that this report reinforced the interest and prompted his letters to the Weekly Free Press in 1830 which were mentioned in Chapter One ³¹.

The first claim to have founded an equitable exchange system in Britain belongs to the Glasgow Co-operative Society. The first evidence is that of the B. A. P. C. K.'s committee noting that some sort of 'labour note' was in use in Glasgow at the end of 1830 and, in October 1831 at the 2nd Co-operative Congress, a Mr Harriston of Glasgow saying that:

The societies in Glasgow were exchanging their goods and using labour notes instead of money. 32

This was at London Street, Glasgow. If William Maxwell's -

29. Scanty sources about this exchange and another at Marseille exist. The writer on French banking, J. G. Courcelle-Seneuil in, Traité des Opérations de Banque (Paris, 1905 edn.) noted their existence, as did the B.C.H. (8), 1.11.1829, p.31 and The Associate, (6), Oct. 1829, p.40. Fulcrand Mazel was mentioned in Chapter One refs. 31 and 32 for his claim relative to the theoretical basis of equitable exchange.

30. B.C.H. (8), 1.11.1829, pp.31-2.

31. W. King, Unpublished letter to W.F.P., dated 4.9.1830. (130 R.O.).

32. Report of the Proceedings Fourth Quarterly Meeting of the B. A. P. C. K. [1830], p.7, and Proceedings of the Second Co-operative Congress (1831), p.6.

the historian of co-operation in Scotland - information is correct the notes, although devised by the society to use in their bazaar, bore £. S. D. denominations ³³. The first definite application of equitable exchange in the British Isles was at Ralahine in Ireland and was unlike all the subsequent ones in that it was started as part of a co-operative community, exactly as Owen had originally planned. This community was established by John Vandeleur, an Irish landowner, and E. T. Craig, an English co-operator late in 1831 ³⁴.

The first equitable exchange set up in Britain within the existing society and of a character typical of what everyone now thinks of as an Owenite equitable exchange was the Exchange Bank of the 1st Western Co-operative Union in February 1832 at 59, Poland Street, London ³⁵. William King and his associates in the 'North Western Association for the Industrious Classes' opened their 'Independent Exchange Bazaar' at the Gothic Hall, New Road, Marylebone shortly afterwards in April ³⁶ (see plate 17). These were followed by an Equitable Labour Exchange Bazaar at the

33. William Maxwell, The History of Co-operation in Scotland, Its Inception and its Leaders (Glasgow, 1910), p.58.

34. R. G. Garnett, op.cit, chap.4, gives a detailed description of the workings of Ralahine and a full list of source materials pp.252-5. Important primary sources are: E. T. Craig, The Irish Land and Labour Question, illustrated in the history of Ralahine (London, 1882); W. Pare, Co-operative Agriculture (London, 1870) and Star in the East, 8.12.1838 & 15.12.1838.

35. Poor Man's Guardian, (35), 18.2.1832 and (42), 7.4.1832, p.341. (Hereafter cited as P.M.G.).

36. Details of King's 'Independent Exchange Bazaar', at the Gothic Hall are in Appendix 1 and were recounted by King in his booklet Gothic Hall Labour Bank (n.d.).

Central Co-operative Association's headquarters at Red Lion Square and the Lambeth and Surrey Equitable Labour Exchange at Westminster Road, both in August 1832 ³⁷. It is obvious, therefore, that the exchanges organised by Robert Owen, the first of which opened in August 1832, had already been preceded by the efforts of other co-operators.

ii) ROBERT OWEN'S EXCHANGES

The three exchanges organised by Robert Owen were the National Equitable Labour Exchange at Gray's Inn Road, London, which opened in August 1832; the First Metropolitan branch which opened at the Rotunda, Blackfriars Road, London in December 1832, and the First Provincial branch, at the Coach Yard, Bull Street, Birmingham, in July 1833 ³⁸.

37. P.M.G., (61), 11.8.1832; (64), 1.9.1832, p.520.

38. Apart from the standard histories of co-operation, accounts of Owen's exchanges can be found in E. W. Hampton, Early Co-operation in Birmingham and District (Birmingham, 1928), chap.111, and W. H. Oliver, 'The Labour Exchange Phase of the Co-operative Movement', Oxford Economic Papers, New Series, X, (1958).

(n.b. There is sometimes a difference of opinion regarding the dates when the different exchanges opened. This is due to the fact that the exchanges opened to receive deposits before they opened for the business of exchanging goods. The writer has used the date when they opened to receive goods as the opening date, where it is known.)

(n.b. The Rotunda at Blackfriars Road appears to have had an exchange from September 1832 but it was not until December that it was became Owen's 'First Metropolitan Branch'. It was also sometimes called the 'Surrey Branch'.)

The 'National' exchange had grown out of the fairly innocuous sixth object of Owen's 'Association for Removing Ignorance and Poverty by Education and Employment', established late in 1831. This stated that one of its intentions was:

to receive Provisions, Clothing, and other Property, and services of every description to be exchanged on the equitable principle of exchange for equal labour, through the medium of labour notes.

39

Owen typically regarded the exchanges that preempted his own with scorn. They were described as evil in The Crisis and were accused of threatening the whole exchange movement by causing fragmentation ⁴⁰. Unfortunately, one of the products of this feud is that The Crisis gives virtually no information about the progress of other independent exchanges in London. As a result of this lack of information about these independents and of Owen's disregard of them, most historians associate equitable exchange solely with these three examples of Owen's.

We need to look now at Robert Owen's exchanges, to see how they were organised, how they worked and how they compared

39. The Resolutions intended to be proposed at the public meeting to be held on the 12th inst. at the Royal London Bazaar. [1831]

40. The Crisis, 1, (36), 10.11.1832, p.143.

with the theoretical basis, and with the ways in which other exchanges were endeavouring to put his principles into practice.

i) Organisation and Management

Perhaps the most obvious feature that distinguished Owen's exchanges from all the others was the scale of his enterprises. The establishments had to be big, both from the point of view of the buildings used and also of the scale of business objectives. Size was important to Owen because he realised it was vital to create a good impression from the start. Hence the grand, classical-style building at 277 Gray's Inn Road, with its great assembly room, embossed and gilded, capacious enough to hold 2,000 and the large courtyard with coaching accommodation ⁴¹. (see plate 16) This building had been well-known both as a carriage repository and as the 'Royal London Bazaar' and had been offered to Owen in a very attractive short-term deal by its

41. This description was by Allen Davenport, a co-operator, and appeared in the National Co-operative Leader, 22.11.1861.

owner, William Bromley. The story of the problems that ensued as a result of this agreement is told at length in Podmore's biography and their effects are discussed later in this study. As a result of the aforementioned dispute the National Exchange was removed in 1833 to 15, Charlotte Street, on a corner of the original Fitzroy Square

via a temporary home at the Blackfriars branch. This second home did not match up to the first in grandeur but it had good accommodation, extending a long way back through a courtyard to a street behind ⁴². The first provincial branch at Birmingham was chosen without Owen's advice and, although well positioned, just off the main shopping street, Bull Street, Owen considered it too small. It is reported as consisting of a substantial shop floor, a deposit office, a small but compact counting house, a spacious landing and good lights ⁴³. Owen also in fact complained that the Gray's Inn Road premises were rather small for his momentous experiment and, although one might at first be tempted to conclude that Owen simply suffered from an inflated vision of his exchanges, the truth is that Owen alone seems to have realised that for the experiment to work there had to be lots of space. The exchanges were, after all, intended to replace the whole range of retail

42. Crisis, 11, (6), 16.2.1833, p.42.

43. Noted by E. W. Hampton, op.cit., p.45 as having been gleaned from The Crisis but no dates were given by Hampton. The writer has found it impossible to trace the exact references but they seem genuine.

outlets previously used by the exchangers. They had therefore to be able to store and display every possible raw material, food stuff or manufactured article that might ever be supplied or demanded. From the little that can be learnt about the independent exchanges, however, most seem to have been unaware of this need and simply used part of the existing premises of their society to stock a small range of goods. Such exchanges would have been severely limited from the start by this shortage of space and could never have hoped to have catered for more than just a small portion of their clients' supplies and demands. This perhaps illustrates that they had only a limited understanding of Owen's proposals in the Report - probably the result of their having to grapple with the subject themselves without Owen's help or advice.

As a result of the grand scale of Owen's exchanges, their organisation proved to be quite complicated. One is immediately struck by the difference between the complexity of their workings and the simple, natural plan put forward in the Report. The rules and regulations, drawn up chiefly by Owen, were long and complicated ⁴⁴. They were carefully thought out, not as W. H. Oliver has suggested: 'hardly planned; it occurred' ⁴⁵.

Part of the plan for Owen's exchanges always included the

44. Crisis, 11, (27), 8.9.1832, p.105 and 11, (23), 15.6.1833, pp.182-4.

45. W. H. Oliver, op.cit., p.361.

raising of a large amount of share capital - at least £2,000 for each exchange. This obviously derived both from his years in business and from his communitarian schemes. This he declared would be necessary for the payment of rent and the purchase of materials ⁴⁶. The rent was in fact not an immediate problem for the 'National' exchange, since Owen had negotiated the occupation of the premises rent-free, apart from ground rent, until the end of 1832. He knew, however, that after that date either £1,720 p.a. rent would have to be paid or £17,700 to buy the property outright ⁴⁷. Owen had hoped to pay rent according to the business transacted and this was in fact done at the Surrey branch at two and a half percent of the goods deposited ⁴⁸. Both the Birmingham and Surrey branches paid only small sums of rent but, like the 'National', their main problem was in finding it in coin-of-the-realm ⁴⁹. In order to raise the required capital for each exchange Owen proposed that twenty-pound shares be offered to sympathetic, well-off people. In Birmingham a canvass was directed at local manufacturers ⁵⁰ in the hope of interesting them in investing in the exchange

46. Crisis, 1, (25), 25.8.1832, p.100.

47. A detailed account of the negotiations with William Bromley to rent and/or buy the Gray's Inn Road premises is given in F. Podmore, op.cit, pp.412-3. After Owen's removal from Gray's Inn Road, Bromley re-opened it as the 'National Land & Equitable Exchange Association'. Hardly anything is known about this venture. The writer has found only one reference to it. This is in the journal, John Bull, 3.2.1833, p.132 and it indicates that it had a cash basis.

48. Accounts Document, dated April 7.1833. (596 R.O.).

49. The rent at Charlotte St was £400 p.a. (Crisis, 111, (7/8), 19.10.1833, p.53, at the Surrey branch was £2 - £3 per week and at Birmingham, £2.16.0. (596 R.O.); Crisis, 11, (35/6), 31.8.1833, p.284 and 111, (6), 12.10.1833, p.40.

50. Crisis, 1, (41), 15.12.1832, p.104.

Owen was quite aware that he was not involving the 'industrious classes' in the enterprise but this was in line with his plan to use capitalists in the Report and, as always, he seemed to believe that the end justified the means of achieving it ⁵¹. The incentive to the investor was to be an annual dividend of five per cent ⁵². This had, however, to be taken in labour notes. We must deduce that it did not prove to be sufficient incentive as neither the 'National' nor the Birmingham exchange raised very much capital. Some time after the 'National' had opened, someone admitted that it had in fact started on less capital than even the Birmingham branch ⁵³. The Birmingham organisers reduced the price of their shares to five pounds and then to one pound. Even after they had offered quarter shares at two shillings and sixpence in Birmingham they only raised about four hundred pounds ⁵⁴. This was quite good going though, when one considers that this was largely raised by the people Owen ignored in his fund-raising plans; working men who put in a penny a week to save for quarter shares. As Owen had foreseen, the lack of capital in £.S.D. was to become a serious problem for all three of his exchanges. As a result of their inability to pay the rent both the Gray's Inn Road and the Blackfriars Road premises were lost ⁵⁵. Owen's plan to raise share capital not only had little

51. Report to the County of Lanark (Glasgow, 1821), 1, p.5.

52. Crisis, 1, (25), 25.8.1832, p.98.

53. ibid., 1, (44), 5.1.1833, p.174.

54. ibid., 11, (22), 25.1.1834, p.171 and 11, (13), 6.4.1833, p.100.

55. ibid., 111, (14), 30.11.1833, p.107.

appeal to the well-off but also, as we have seen, could hardly be afforded by working men. In addition, some co-operators objected to the share capital as a matter of principle. They believed that equitable exchange was a system which would ultimately bring about the destruction of capitalist society and it seemed to them to be wrong to be applying to capital for the means of destroying capital' ⁵⁶. From what has been said in Chapter One about Owen's intentions, it seems most unlikely that Owen thought of his exchanges in such revolutionary terms. He hoped that once capitalists had helped start the system with their money, they would eventually be won over to the new life-style. Critics of share capital did perhaps have some justification, for the share holders (who were entitled to five per cent interest, or forty hours worth of free goods) would thereby be living on unearned income, depriving some working people of their one hundred per cent labour value, and denying the whole purpose of equitable exchange ⁵⁷.

The independent exchanges, on the other hand, took the opposite view point and seem generally to have been influenced by Dr. King of Brighton who wrote many times in The Co-operator about ways of developing co-operative trading and manufacturing without any capital. One of the organisers of the Theobalds Road exchange declared that capital was unnecessary for starting up any exchange

56. *ibid.*, 1, (25), 25.8.1832, p.99.

57. *ibid.*, 1, (27), 8.9.1832, p.105.

and gave his own as an example ⁵⁸. Gothic Hall Labour Bank opened with only twenty pounds capital and negotiated a rather clever deal to pay the rent in the form of exchange goods, at the rate of £3. 6s. 8d. worth for every £1,000 worth deposited ⁵⁹. Another plan was put forward by Benjamin Warden of the 1st Western Union. He drew directly on one of Dr. King's plans which was to have an initial collection of a very small subscription with which to get started and use it to buy provisions and raw materials ⁶⁰. This last plan was ironically similar to what later occurred at Birmingham because their raising of the share capital gradually deteriorated into 'handing the hat round'. All these different schemes reflect the basic rift between Owen and the other interested parties, who had reluctantly gone their own way. It also shows that the question of whether it was justified to use the old corrupt system in order to bring about an end to it, had neither been recognised nor confronted by Owen, either in the Report or in the rules and regulations that he devised. This was to be only the first of many anomalies.

The manner in which Owen's exchanges would actually function was devised by Owen in 1832 for he had not got to grips with this, in the Report, as we have seen, believing that a harmonious atmosphere and the naturalness of his plan would see it through. It is not surprising to find that

58. *ibid.*, 1, (25), 25.8.1832, p.99.

59. W. K. (ing), Gothic Hall Labour Bank (n.d.).

Owen, since he laid the rules down himself, devised rules that are pretty much what one could have expected from a business-man and an autocrat. The management of his exchanges was to be in the hands of 'superior officers... men well-known to the public for their ability, integrity and extensive knowledge of business' ⁶¹ (see appendices 6a & b). There was to be at each exchange a weighty array of officers, headed by a governor. Owen was offered and accepted this post at the 'National' and at the Birmingham exchanges, although it should be added that he accepted the latter reluctantly, feeling that it should have gone to a local man. Under the governor there were directors to run the exchanges - five at the 'National' and two at Birmingham. All had to be 'members', that is, shareholders. They were to appoint staff, to organise the running of the exchanges and to present the reports and accounts to the exchange's council. One could quite easily imagine this management scheme in Owen's mills or in one of his communities. Below the directors there was to be a council consisting of seven ordinary 'members', who were to act in a watch-dog capacity. All these officers were to be elected by fellow 'members', that is the shareholders, not the exchange users. It is plain from comments that Owen made both before the exchanges opened and some years later that he never really had great confidence in the working-classes being capable of managing equitable exchanges ⁶².

60. B. Warden, Rewards of Industry, The Labour Exchange, the only true way to Wealth for the Working Classes (n.d.).

61. Crisis, 1, (25), 25.8.1832, p.98.

62. R.Owen, New Moral World, 10.10.1835.

Interestingly the 'National' exchange underwent a big shake-up in July 1833 which resulted in its management being taken over by the working classes - the depositors or 'noteholders', as they termed themselves. At this particular point in time Owen temporarily was seen to address the new management somewhat unconvincingly, along the lines that he had always known that they were capable of managing their own affairs. Bearing in mind, however, his earlier and later remarks on this subject, it is hard to believe that he meant what he was saying ⁶³. More likely is the fact that affairs were revealed to have been so badly managed until then that he had no choice but to agree to a complete reorganisation and he tried to make the best of it. The first changes had been made in April 1833 when the 'National' re-opened at Charlotte Street. At this point the council was apparently abandoned and an 'Association of Depositors' was formed which appointed a committee of twelve to deal directly with the directors ⁶⁴. In April 1833 the trade societies using the exchange formed themselves into a body called the 'National Association of the United Trades of Great Britain and Ireland' and published a plan for a national network of exchanges ⁶⁵. At this stage United Trades Association appears to have been independent of the 'National' exchange,

63. Crisis, 11, (27), 27.7.1833, p.230.

64. ibid., 11, (12), 30.3.1833, p.95 and 11, (15), 20.4.1833, pp.114-5.

65. ibid., 11, (15), 20.4.1833, pp.114-5.

operating from a public house at Brewer Street. U. T. A. finally took overall control on 22nd July 1833. The original directors were replaced by a committee of management elected by the trade societies every three months. From this point on, shareholders were never mentioned. The only people considered to be of importance to the 'National' exchange thereafter were the noteholders. Owen's fears about the ability of such people to run the exchange business appears to have been justified for as the months passed the management of the exchange became more and more disjointed and prone to petty disputes. The new democratic style of management resulted in such problems as lack of continuity, due to the superintendency being up for re-election every three months, and lack of discipline due to the staff employed in the exchange wanting to be involved in the decision-making of the management committee.

By way of comparison, the management of the independent exchanges was relatively simple. Most were apparently run by a committee or 'Council of Management', probably the users. These also perhaps suffered as the 'National' did from inexperienced working people making decisions on trade and financial matters. It seems that the two best managed schemes were probably those that were run on autocratic lines. These were Ralahine, which was run by E. T. Craig, and Josiah Warren's Time Store. Warren's store was, as we

have seen, a 'one-man-show': he made all the rules, but as it was originally only his own labour that he was tying up with the scheme, anyone else who became involved with his Time Store simply made his own decision as to whether to go along with Warren's method of doing business or not. There was no coercion. The method of running Ralahine was, however, not very democratic. Vandeleur chose the secretary, treasurer and storekeeper and the first two always sat on its managing committee ⁶⁶. We should remember that Owen was accused by Lovett of running his exchanges in a despotic way so Craig's method of working would probably have been acceptable to Owen ⁶⁷. Owen's plan in the Report had suggested a variety of ways of organising and running the communities, all of which seemed to expect the use of superintendents to organise the ordinary communitarians. Owen, Vandeleur and Craig seemed to believe that it was necessary for them to help by leading a class of people ill-equipped for trading and financial matters, and they themselves seemed the best qualified to do the job. That the Birmingham exchangers were aware of the changes at the 'National' is demonstrated by the fact that

66. E. T. Craig, The Irish Land and Labour Question, illustrated in the history of Ralahine and Co-operative Farming (London, 1882) p.47, relates in detail the management of Ralahine.

67. W. Lovett, op.cit., pp.48-50.

they did follow the latter in one respect; in forming an Association of Depositors ⁶⁸. Both were intended to vet the 'conduct and character' of potential depositors and 'to prevent attempts to commit frauds' ⁶⁹. The 'National' exchange required a reference of some sort before depositors were admitted to the Association. Once vetted, the depositor had to pay one shilling per quarter in advance to belong to it. In return the depositor was supplied with a ticket which had to be produced when depositing goods. At Birmingham exceptions were made for depositors of raw materials and provisions. Members of the Depositors' Associations met monthly to consider the state of their exchanges and to elect committees to hear complaints and act as intermediaries between the managers and the depositors. We have no idea of the number of depositors who used the 'National' exchange in its early heady days but from all accounts it seems that, despite the large numbers of staff, they could hardly cope with the numbers of depositors. We know that the members of the Birmingham depositors numbered 746 when it opened, whilst at Charlotte Street there were

68. A small printed poster listing the Laws to be observed by Depositors in the Birmingham Branch of the National Equitable Labour Exchange is preserved in the Robert Owen Papers, (594 R.O.), see plate 19. The rules of the 'National's' Depositors's Association are printed in Crisis, 11, (12), 30.3.1833, pp.95-6.

(n.b. W. H. Oliver, op.cit., p.357, claims that the 'National' had one association for wage-earners and another for small masters. This does not appear to be correct.)

69. Crisis, 11, (13), 6.4.1833, p.99.

about 800 ⁷⁰. It seems likely that these Depositors Associations, with their demands for coin-of-the-realm and their vetting of potential depositors, must have served as a barrier to entry for many people who were either short of cash or who were of unknown character to the vetters. In a system which depended upon the depositing of the whole range of goods needed by consumers this can only have been a retrograde step. Not only can these Depositors' Associations be criticised for their effect on the business of the exchanges but also for the change they brought about in the aims of the exchanges. For Owen's plan had been that equitable exchange would 'permit the labouring unoccupied poor to be employed, to raise their own subsistence' - those who had no cash ⁷¹. This illustrates a basic dilemma that always faced the organisers of equitable exchanges whether in communities or within the existing society. This was whether to admit everyone and thereby admit, amongst the many genuine and needy people, a few who were not co-operative-minded and were selfish or dishonest and could destroy the exchange by their actions.

As regards the wage earners at Owen's exchanges, we know nothing of the staff at Gray's Inn Road but we do know that

70. *ibid.*, 11, (32/32), 10.8.1833, p.260. The Birmingham numbers rose to 840 according to *Crisis*, 24.8.1833, p.268 and over 1400 in *Crisis*, 21.9.1833, p.20. However, in November 1833 the income from depositors at Birmingham was £93.1s.0d. which represents 1861 depositors. This seems very high though and must be treated with some suspicion (*Crisis*, 11, (35), 30.11.1833, p.110). At Charlotte St. the numbers are equally dubious. They are reported at 500 in vol.11, (31/2), 10.8.1833, p.259 but at 800 on p.260 of the same volume.

71. *Report to the County of Lanark*, part 1, p.8.

at Charlotte Street and at Birmingham they were roughly of the same structure with a superintendent, a secretary, a receiver of deposits, a clerk for deposits, an accountant, a secretary to the Committee, up to six exchangers (counter staff) and a watchman ⁷².

As regards the wages, there are indications that these were originally paid at Gray's Inn Road wholly in labour notes. One surviving account for the week ending 10th November 1832 gives the 'salaries paid to servants' as 1,920 hours ⁷³. Also, Charles West, the secretary to the Birmingham branch, had previously been at Gray's Inn Road and refers to having been paid in labour notes ⁷⁴ but he refused to work at Birmingham under such terms. The payment of staff in labour notes seems not to have lasted long for, although in keeping with the principles of equitable exchanges, it resulted in staff being unable to buy many of the goods they wanted that were not stocked at their exchange - because they had no cash with which to shop elsewhere. Inevitably they demanded cash.

West asked for forty shillings a week but we do not know whether he received this rather large sum. We **do** know that the 'National' exchange suffered from a rapidly escalating wage bill in late 1833 and had to initiate a drastic revue of wages. They decided that, rather than dismiss anyone, they would pay everyone the same wage: twenty-five shillings

72. Crisis, 111, (14), 30.11.1833, p.108.

73. Letter to R.Owen from E.Nash, dated 14.11.1832. (573 R.O.)

74. Letter to R.Owen from C.West, dated 10.12.1832. (590 R.O.)

per week 7^s. This egalitarianism was tied up with the democratic leanings of many co-operative societies. The re-formed 'National' exchange shows many such features in management and staffing.

ii) TRANSACTING BUSINESS

The method of transacting the business at Owen's equitable exchanges was laid down by him in 1832 but the independent exchanges seem to have worked in much the same sort of way - indicating that in reality there was really only one basic way of working. A typical description of the way it worked is provided by William King and it runs as follows:

a person carries the produce of his industry and skill to the Bazaar, says that he is a shoemaker, we will suppose that he takes six pairs of shoes; parties who understand the value of the article inspect it, and the number of hours labour, which have been consumed in the making of these shoes is decided upon; he then receives a labour note for that number of hours...if he wants nothing which is in the Bazaar he puts the note in his pocket, if he does, he takes it, and receives the product of so many hours of another man. 76

In theory the system was simple and in its basic statement, such as above, it still seems simple but this apparently simple transfer of labour between men proved to

75. The wages bill at the 'National' rose from £15.15s.6d. for the w/e 31.8.1833 to £24.0s.0d. for the w/e 26.10.1833. The reduction of the weekly wage to 25/- per week is recorded in The Crisis, 111, (24), 8.2.1834, p.196.
76. [W. King], The Circulating Medium, (1832).

be very much more complicated when it actually came to running the business. No original account books survive from any of Owen's exchanges but it is very likely that they were the same as Owen had planned and published in The Crisis just before the 'National' opened ?? (See plate 14: A - K). Paperwork was crucial to the system. It was planned as follows and almost certainly worked this way. When goods were brought in, the depositor affixed to it an 'invoice' with his suggested value. This value consisted of a coin-of-the-realm element to account for raw materials and a time element in respect of labour that had been expended on the article. The coin-of-the-realm element was intended to be only temporary until the exchangers had become experienced in assessing the labour in raw materials. Once the article had been received into the exchange the £. S. D. part was converted to a labour time value using a standard conversion of sixpence being equal to an hour. The book-keeper made out a preliminary entry in 'Valuation Book' (A) and gave a receipt (B) to the depositor. Then a Valuation Committee examined the article to confirm its suggested value. The original Valuation Committee established by Owen soon found that they did not have the necessary detailed knowledge to confirm the suggested values and as a result experts from each trade were invited in to do the job. In addition the Valuation Committee found that

77. F. Podmore, op.cit., p.420 states that the accounts of the Birmingham exchange are preserved at the Co-operative Union Library. In fact all that survive are a few papers relating to the winding up of the Birmingham branch. (This has no catalogue number at the Co-operative Union Library).

the huge quantity of small items was terribly time consuming. As a result they stopped the deposit of any goods of a value of under forty hours. The small independent exchanges had neither the wide range of deposits nor the large number of members to have suffered from these particular problems. They relied on the general experience of one or two members to check on valuations.

Owen had planned in the Report that all the people exchanging labour for labour would be rewarded equally, that is, that all time spent working would be considered equally valuable. Before the 'National' exchange had even opened, however, Owen had conceded the unlikelihood of this part of the plan working in urban equitable exchanges. He agreed that for the time being depositors should be rewarded in differing degrees in accordance with their skills; the work of the skilled craftsman being more highly rated than that of the labourer. The Gothic Hall exchange and some of the other independents, however, stayed with the original plan to value all labour equally. Despite their claims on the question of equality, however, they could not resist the urge to value the labour of women lower than that of men and classed all men's work as equal to sixpence an hour and all women's work at three pence ⁷⁸. The problem, of course, with this egalitarianism was that the less skilled workers would be attracted to the exchange but the highly skilled would not, and, as a result, there would be no deposits of goods from the latter and a preponderance of the former. At the

78. Gazette of the Exchange Bazaars (1), 29.9.1832, p.12.

'National' exchange where women were rated at the bottom of the long list of types of work, the result was that **they** hardly used the exchange ⁷⁹.

The Valuation Committees also had problems in determining how to deal with slow and sloppy workers, whose goods could easily be overvalued by virtue of the amount of time spent on them.

Another problem was the need for objectivity amongst the valuers. The valuers were put in a situation where the goods deposited might be those of a friend or a trade colleague and they perhaps felt the need to value the work of such acquaintances at something higher than an impartial valuer might have done. The valuers of course had nothing to lose by slightly inflating the values of goods - it was only the exchange as a whole that suffered in the long run.

The next stage in the workings of the exchange was that the depositor was issued with a draft (see plate 14 - L), which he presented at the money office or 'bank' and received his notes. The goods received were entered in a store book (C) on the debit side and any exchanges were entered on the credit side. The cashier had four books to contend with which recorded the notes issued, received back and in circulation (D,F,G,H). There was a further book (E) which was used to keep account of the commission. It seems unlikely that **all** these books were really necessary and it is somewhat ironic to find them in Owen's exchanges when one considers how natural and simple the original plan had been.

79. Crisis, 1, (21), 1.6.1833, p.167.

in the Report.

Commission seems to have been a facet of all the urban exchanges whether Owen's or the independents. This was eight and a half per cent for retail transactions and half that for wholesale. This was added to the price of the goods after they had been deposited and so the cost of the commission was paid by the buyer ⁸⁰. In the other independent exchanges, however, it was paid by the depositors in cash and was intended specifically to help to pay wages and rent. Owen's exchanges soon went over to this cash payment of commission in order to assist their developing cash-flow problems.

Once the paper work was done the depositor received his notes (see plate 4). Owen went to a lot of trouble to produce a note which would inspire confidence. He described his notes with pride as being:

of costly and admirable execution, of paper whose fabric cannot be surpassed, and if successful forgery is not impossible, it is next to impossible. It gives great satisfaction and will be long before it can be soiled even in the 'unwashed hands' of artisans. ⁸¹

Owen's notes are the only original ones to have survived from this period of exchange activity. These probably only survived because they were such mini masterpieces that people saved them. Two examples of suggestions for labour note designs survive in journals and reports (see plates 1 and 2). The first is James Tucker's - the chairman of the B. A. P. C. K. - and the second is the one devised for use,

80. Birmingham Journal, 11.8.1832.

81. Crisis, 1, (29), 22.9.1832, p.113.

and which possibly was used, at the First Western Union Exchange Bank. These were fairly plain, as were those used at Ralahine (see plate 3). These last were very simple:

the notes were printed on stiff cardboard,
about the size of a gentleman's ordinary
address card.. 82

The notes at Ralahine, of course, had no need to impress an outside world as Owen's did. At Ralahine 'labour days' were the currency unit and notes were made in units of one week down to one-sixteenth of a day ⁸³. Owen's notes and those of the Gothic Hall, the only other notes we have descriptions of, were in hours - Gothic Hall were up to twenty hours and Owen's up to one hundred hours ⁸⁴.

When notes were exchanged in the store for goods they had to be taken out of circulation since the labour currency always represented the exact amount of goods in store. Warden suggested that such notes be 'stamped and placed on file but never re-issued' but Owen's notes were intended for use many times. This was the reason for the extensive book-keeping in respect of Owen's notes ⁸⁵.

The relationship of the new notes with the old coin-of-the-realm was that it was hoped the former would gradually supersede the latter: firstly amongst the exchangers, and then over the whole country. The relationship between the two currencies was regarded differently by different proponents. Warden had

82. E. T. Craig, op.cit., p.75.

83. Crisis, 11, (27), 13.7.1833, p.215.

84. ibid., 11, (20), 13.7.33, p.215.

85. ibid., 1, (15/16), 30.6.1832, p.61 and [W.King], The Circulating Medium, (1832).

suggested that:

The labour note must, in the first instance, bear a relative money value.. You will find that but few will be able, for a long time, to understand the affinity time bears to money. ⁸⁶

Although the new system was, therefore, to have been quite independent of competitive society, the small independents ignored this idea from the start and continued to use other shops, regarding their exchange only as a supplement to their incomes. In America Warren's early notes actually bore a dollar equivalent to facilitate this sort of intermingling (see plate 6).

The original plan at Owen's 'National' exchange, however, was to reject the coin-of-the-realm, as indeed it had been in the Report. All they planned to have to do with it was to provide facilities at their exchange bank to change coins into labour notes at a rate of a five hour note for two shillings and sevenpence ⁸⁷. The exchanges (and as a result, the notes) did not prove to be the attraction expected, and almost immediately it became obvious that the suppliers of certain goods, such as food stuffs and raw materials, were going to need more than just labour notes to entice them to deposit with the exchanges. From November 1832 the 'National', therefore, introduced a system of 'half cash - half notes' for those goods that were much needed ⁸⁸. This example was followed by Owen's other exchanges.

86. B. Warden, op. cit..

87. Crisis, 1, (29), 22.9.1832, p.113.

88. ibid., 1, (38), 24.11.1832, p.149; 1, (37), 17.11.1832, p.146; 1, (38), 24.11.1832, p.149 and 11, (35/36), 31.8.1833, p.283.

One gets the impression that the exchangers were never quite convinced of the value of labour notes. Comments such as:

we are rapidly approaching the period when our 40 hour notes will be acknowledged even by our opponents to bear the full value of a sovereign.

and this accounts statement:

profits on provisions exchanged for all
Labour Notes,
942 hours; in value, £26. 11s. 89

show that at least these two exchangers were still unconsciously thinking of sovereigns and pounds as the **real** currency instead of labour notes. Whilst Owen had planned that his currency would only gradually be accepted by the country as a whole, he had intended that the users of equitable exchange would accept it immediately as the one and only currency. This was possible at a community like Ralahine where communitarians had no cash anyway and where E. T. Craig kept strictly to the regime of using only labour notes. Here, if there was any need for cash to purchase occasional outside provisions, Vandeleur provided the cash and this money was eventually repaid to him by the sale of some of the community's goods to the outside world.

89. *ibid.*, 1, (39), 1.12.1833, p.40 and 111, (6), 12.10.1833, p.40.

An idea at the heart of Owen's plan for equitable exchange was that, unlike coin-of-the-realm, the labour notes would always be backed by real wealth. The total value of the notes would represent the total value of goods manufactured and as a result there would never be any crises of confidence such as were common at that time. This claim was, however, dashed when an audit of the 'National's' stock in July 1833 revealed a deficiency of 9,000 hours ⁹⁰. Owen claimed that the stock had been stolen in the course of the removal to Blackfriars Road and then to Charlotte Street. Although this may have been possible it seems more likely that the lost value went in goods thrown away due to deterioration, of which no account was made, and goods that were overvalued and then had to be reduced to get rid of them.

The aforementioned stock check resulted in the necessity of asking for notes to be voluntarily torn up or given up to be cancelled. After as many of the old notes as possible were taken in in this way a new currency was issued dated 22nd July 1833.

iii) The Exchanges and their Commodities

Owen's plan for equitable exchange in the Report had been for the majority of the people to be producing food and the

90. *ibid.*, 11, (27), 27.7.1833, p.230.

few remaining to belong to a few useful manufacturing trades⁹¹. The urban exchanges, however, were neither able to supply the food stuffs nor were they able to organise their lists of depositors so that they contained the most needful trades. On the other hand, the lists of the depositors to the 'National' and the Birmingham branch illustrate urban specialisations that made the problem even worse (see appendices 2a and b). In London with its large numbers of exceedingly wealthy homes, there was a fairly high proportion of manufacturers of luxury items. The Birmingham list shows the expected preponderance of metal-ware workers. Obviously something had to be done to get rid of these excesses and attract the many goods in short supply. Owen's principles had forecast that supply would always equal demand due to a natural self-balancing mechanism in the system but this was not to be the case and a great deal of fruitless effort went into trying to equate supply and demand. There was intermittent talk of creating either a network of exchanges or of making links with co-operative manufacturing groups but nothing came of it. Although there were national co-operative congresses each year, there was in fact no national co-operative movement to draw upon to help set up such a system. All that transpired were occasional parcels of goods being dispatched between the different exchanges and the co-operative manufacturing groups⁹². No regular system of supplying each other was

91. Report, part 111, pp.24-5.

92. Crisis, 11, (6), 12.10.1833, p.46; 11, (33), 17.8.1833, p.260; 111, (7/8), 19.10.1833, p.61; 111, (9), 26.10.1833, p.70.

set up.

The problem was not just the fact that there was not the national organisation as a back-up but the fact that the co-operative manufacturing groups did not seem to want manufactured goods in return. One typical request was from the Halifax co-operators who said:

if the London exchanges would take their
lastings, merinos and stuffs in exchange
for treacle, or tea, it would be the
saving of them and their families. 93

William Pare, at the Birmingham exchange, made great efforts to get both manufacturing and agricultural groups to trade with his and the 'National' exchange. The work involved for one man, however, was too much. He travelled to Ireland in 1833 to contest the will of William Thompson and used the opportunity to negotiate with Ralahine for agricultural produce and leather 94. Whether any exchanges resulted is not known. It is ironical that Pare should have been the one to end up trying to organise these supplies for the exchanges because as early as 1830 he had suggested that equitable exchange would fail because of a lack of agricultural produce. At that time he had declared that not until co-operators owned land and could supply all the exchanges' demands for food would they succeed 95. This of course had been Owen's plan in the Report and in all his plans for community life. He incredibly seems by 1832 either to have forgotten the crucial part agriculture needed to

93. *ibid.*, 1, (29), 22.9.1832, p.116.

94. *ibid.*, 11, (6), 12.10.1833, p.46.

95. Copy (made by W. King) of a letter written by W. Pare to the Weekly Free Press, dated 11.8.1830. (130 R.O.).

play in providing for the needs of people or perhaps thought that the urban exchanges could exist by engaging in the exchange of mainly manufactured goods. Pare had warned of this problem when he published his calculations that the potential users spent three-fifths of their income on food stuffs and pointed out that there were no co-operative agricultural producers in the country, apart from Ralahine over the sea, to meet their needs.

The fact was that the vast majority of working-class co-operators were in the paradoxical situation of producing sophisticated articles for a sophisticated society in which they took no part. **Their** demands were for the basics of life - chiefly food and clothes.

Once the exchanges got off the ground Pare obviously decided to keep his doubts to himself and try to help as much as he could. He travelled a great deal lecturing and trying to persuade people to deposit with the exchanges. He talked a lot to trade societies and 'trades' unions', as some were starting to be called. He declared:

I conceive it to be of the utmost
importance to cherish these Trade Unions.

96

Pare got the Builders' Union leader, James Morrison, interested in exchange work for a time and together they forged links between the Birmingham exchange and many trade unions and societies in Birmingham ⁹⁷. Pare also hoped that

96. Crisis, 1, (41), 15.12.1832, p.163.

97. For a biography of James Morrison see, J. Sever, James Morrison of the Pioneer (Oxford, 1963), unpublished typograph.

agricultural unions might be formed of small tenants and labourers and he addressed such people on the subject of exchange on at least one occasion ⁹⁸. As if following Pare's lead, or perhaps it was following in Pare's tracks, Owen himself began to travel and address unions in the autumn of 1833 but the emphasis of Owen's lectures strayed away from drawing these people into a network of exchanges and into the formation of a vague 'grand moral union'.

To return to the deficiencies of certain goods, the exchangers tried a variety of methods to attract food suppliers. As has been indicated, special deals for cash were arranged. At the 'National' exchange they tried asking people to advance the cash that they would normally spend on weekly provisions and this was used to buy the food in at wholesale prices. They also tried a cash-only provision section at the 'National' ⁹⁹. Incredibly, even this failed to work, which leads one to believe that there must have been serious inadequacies on the management side in addition to all the other problems.

The shortage of raw materials resulted in a variety of schemes being devised for their provision. The 'Female Employment Group' at the 'National' were the first to suggest a cash fund for aiding the purchase of raw materials. The ladies put sixpence a week into it, for which they received a one hour note. The cash collected was used to buy cloth which was then bought back with the notes

98. Crisis, 111, (6), 12.10.1833, p.39.

99. ibid., 11, (18), 11.5.1833, p.139.

and made into dresses ¹⁰⁰. This idea was later adopted by other groups ¹⁰¹. A scheme tried twice at the 'National' was the establishment of a Trade Fund by share capital. The shareholders were to receive interest of four per cent payable in cash or notes and the borrowers were to pay five per cent interest ¹⁰². The regularity with which these schemes were proposed throughout 1833 and 1834 at the 'National' indicates that none was successful ¹⁰³. This is hardly surprising when one considers that many of the people using the exchange were probably close to the poverty line and had no cash to spare.

At Birmingham a special concession was also made to the suppliers of raw materials and provisions in that they became exempt from joining the Depositors' Association. The need for tools to be deposited was also of crucial importance. An advertisement actually appeared in The Crisis asking for these. One might have thought that the Birmingham branch could have supplied virtually all tool requirements but, as the writer has pointed out, the infra-structure did not exist to make use of this. Even when tools were in the exchange some people still faced the basic problem of getting together the labour notes to buy a set of tools in order to start working for themselves.

100. *ibid.*, 111, (9), 26.10.1833, p.61.

and 111, (24), 8.2.1834, p.196.

101. *ibid.*, 1, (15), 20.4.1833, p.119.

102. *ibid.*, 111, (35/36), 31.8.1833, p.283.

103. *ibid.*, 11, (18), 11.5.1833, p.140 and 111, (14), 30.11.1833, p.108.

One of the potential exchangers wrote to Owen pointing this out:

Your system of exchange of Labour for Labour is excellent but i Conserve there Is one Dificaltey and that is maney Have not the meanes of procuring the Tools to work with.. 104.

One way in which the demand for goods not in the exchanges was met was by encouraging conventional retail outlets to accept the labour notes. The managers of Owen's exchanges seem to have had no qualms about using these shops despite the fact that Owen had branded shopkeepers as members of the 'unproductive classes', whose demise would be one of the end results of equitable exchange 105. Some perhaps thought that the increasing acceptance of labour notes, by whom-so-ever it might be, was for the good and it illustrated that equitable exchange was being a success. Owen's attitude to the distribution and use of notes outside of the exchanges is somewhat ambivalent. It perhaps pleased him to hear of his own currency - 'Mr Owen's Notes', as they were called - being used all over London and Birmingham 106.

Another problem that faced the exchanges as regards goods was the embarrassing stocks that could not be got rid of. Fears had been expressed by various people before the exchanges opened that they might be open to the reception of vast quantities of trivial and useless goods. Certain people who had given the subject some thought realised that because goods would be received by the exchanges equally willingly

104. Letter to R. Owen from 'T.C.', dated 1.9.1832 (569 R.O.)

105. Crisis 1, (30), 29.9.1832, p.119.

106. ibid., 1, (41), 15.12.1832, p.163 and 1, (34), 26.10.1832, p.135.

whether, say, marble chimney pieces or bread, the bread would be in great demand and the marble chimney pieces would not ¹⁰⁷. As already noted, many exchangers, especially in London, were manufacturing goods for the capital's wealthy and these were not the sort of items demanded by the type of person using equitable exchanges. The Birmingham branch organisers, having seen this problem appear in London, decided that its Valuation Committee would have the power to exclude the 'frivolous, useless, or doubtful goods, except on a sale or return' basis ¹⁰⁸. This may have been successful in reducing the number of useless articles deposited but it was a detrimental step in two respects. Firstly, it created yet another artificial barrier to what was supposed to be a natural, free-working system. Secondly, it relied upon certain individuals sitting in judgement upon others and, doubtless, sometimes people with perfectly exchangeable items were refused entry to the exchanges. Again, we see that Owen's 'equitable principle of exchange' - supposedly a natural system there to help every working man - was gradually being eroded.

None of the account books of any of the equitable exchanges survive but some weekly and quarterly published accounts do ¹⁰⁹. These throw a little light on the subject, such as the turnover. One can discern from them

107. See appendix 2a.

108. Crisis, 11, (3), 21.9.1833, p.20.

109. These are printed periodically in The Crisis. There are in addition four manuscript accounts surviving relating to Blackfriars branch up to April 1833 (596 R.O). (As noted in ref. 77, the Birmingham exchange accounts have not survived.)

that, in the early heady days of the 'National' exchange, deposits were very high - between twenty and thirty-eight thousand hours. Owen calculated that this was equivalent to about £50,000 worth of business a year ¹¹⁰. After the move to Charlotte Street and the inevitable disruption involved, the deposits settled down to about 8,000 hours worth per week until the end of 1833, after which they dropped to below 4,000. Whilst the accounts of the 'National' clearly show a chronic decline in deposits the published accounts of the Birmingham branch fluctuated wildly between 5,000 and 17,000 hours per week. It is also clear that virtually all the time exchanges were well below the level of deposits. These published sets of accounts are, however, somewhat confused and must be treated with caution. They frequently include labour notes and coin-of-the-realm in the same column. Provisions bought in specially with cash are entered along with ordinary deposits and one suspects that figures that are supposed to relate to one particular week relate in fact to another or to more than one week. It is difficult, therefore, to do much more with the accounts than monitor the general decline. Since the publication of accounts ceased in respect of the Birmingham branch in November 1833 and in respect of the 'National' in March 1834, the final story of the decline is not told.

The actual closure of the exchanges is likewise not fully recorded. The documents that relate to the winding up of the Birmingham branch start in May 1834 with the sale of a large

110. Crisis, 11, (13), 6.4.1833, p.99.

quantity of the stock at auction in Liverpool and continue through to 1836 when, loans having been repaid, a final left-over sum of £8. 3s. 0d. was sent to the local hospital¹¹¹. The 'National' exchange fragmented into stores within a store. At the end of February 1834 it was decided that all depositors be allocated to a department - the chief ones being: Building, Cabinet/Furnishing, Shoe, Tailors, Miscellaneous and Millinery. Each department was to value its own goods, issue its own notes (a Millinery Dept. note survives - see plate 5), have its own rules but to pay a given percentage to the 'National Equitable Labour Exchange Association' to defray general expenses¹¹². Starting at the end of May, however, and up until July 12th labour notes were called in and we must presume that equitable exchange ceased at the 'National' on that date¹¹³. Working men continued to use the building as a saleroom for their goods into 1835. An advertisement in the Poor Mans Guardian in January of that year advised customers of tailoring, shoes, upholstery, cabinet goods, brushes, hats and cooperage, all for sale 'in barter' at 'the shops in the bazaar'¹¹⁴.

The Charlotte Street building was finally disposed of in 1836 and the exchange fixtures and fittings were sold at public auction. A copy of the sale catalogue survives (see plate 15).

111. In file of documents at Co-operative Union Library titled 'Birmingham Equitable Labour Exchange'. See also ref. 77.

112. Crisis. 111, (27), 1.3.1834, pp.231-32.

113. *ibid.*, 1V, (8), 31.5.1834, p.64; 1V, (11), 21.6.1834, p.88; 1V, (12), 28.6.1834, p.96.

114. P.M.G., (114), 10.1.1835, p.392.

Of the independent exchanges, Gothic Hall Labour Bank wound up in July 1833 after experiencing similar problems to the 'National'. The owner of the property demanded a higher rent so they moved to a smaller property but never recovered from the move ¹¹⁵. Ralahine, although apparently reasonably successful, had the misfortune to have a landowner who gambled. John Vandeleur lost all his fortune in this way and, as a result, the land had to be sold up in November 1833 and the community closed down ¹¹⁶. The other small independent exchanges all gradually ceased from either advertising in, or being mentioned by, the co-operative and radical journals either in 1833 or 1834 and presumably closed.

The principle of equitable exchange was, therefore, given a good trial run not just under Owen but under a variety of different groups and interpretations. The simplicity and naturalness intended by the plan failed to materialise. Rules and regulations were followed by more of the same and more and more frequently. This seems to be with two exceptions, at quite opposite ends of the spectrum: Warren's very informal time stores; and the very controlled Ralahine. With Owen himself losing interest, his own exchanges stumbled on for a while through an increasingly tangled web. None of the organisers ever looked to basics or back to the Report to analyse the problems and produce a revised theory from which to work and improve the system.

115. W. K(ing), Gothic Hall Labour Bank, (n.d.).

116. R. G. Garnett, *op.cit.*, chap.4.

They simply kept tinkering with the system and in effect kept going around in ever decreasing circles. When the exchanges closed, therefore, the exchangers were somewhat bemused by their failure to make a success of an operation described by their leader as so 'simple and easy' ¹¹⁷.

117. Report, part IV, p.52.

Chapter Three

ORGANISERS AND USERS

Who were the people involved in the equitable labour exchanges? Although the small independent exchanges appear to have been organised and used by the same groups of people this was not the case with the exchanges of Robert Owen.

The 'National Equitable Labour Exchange' was organised by Owen's own 'Association of the Intelligent and Well-Disposed of the Industrious Classes for Removing Ignorance and Poverty by Education and Employment'. This Association had been established in December 1831 primarily as an educational and social establishment, amongst the more minor aims of which it was to provide an exchange bazaar ¹.

According to J. F. C. Harrison, the leaders of this Association were 'no different in tone from Owen's British

1. The Resolutions Intended to be Proposed at the Public Meeting to be held on the 12th inst at the Royal London Bazaar, (Single sheet printed by the Association for Removing Ignorance and Poverty by Education and Employment) [1831]. The sixth proposed aim of the Association reads: That the sixth object shall be to receive Provisions, Clothing, and other Property, and Services of every description, to be exchanged on the equitable principle of for equal labour, through the medium of labour notes. (Goldsmiths Library: Scrap-book of William Pare ref.27176).

and Foreign Philanthropic Society of ten years earlier' ². This does indeed seem generally to be the case, for amongst those involved with the Association were John Minter Morgan, a wealthy stationer, and W. D. Saul, a wine merchant, both of whom had previously been associated with the 'Philanthropic Society'.

One gets the impression that these and others were drawn into this Association primarily because they were admirers of Owen and his earlier philanthropic work. The men at the core of the aforementioned A.R.I.P.E.E. numbered about thirty and from this same group were appointed all the officers of the 'National' exchange (see appendix 6a). Since the men who, with Owen, started A.R.I.P.E.E. were also apparently the same who put the exchange into action, we should examine who they were and what were their motives - whether these were basically the same motives as the Association; in which case, were these compatible with the aims of equitable exchange?

These men were identified by W. H. Oliver as 'a body of shop-keepers' ³. This seems to the writer, however, to be far too simplistic a statement because, for the nineteenth century, it is very difficult to distinguish between manufacturer and retailer, since both tasks were often undertaken by the same man, making and selling from his workshop. For example, it is impossible to tell whether one of the organisers of the 'National' exchange, Eleazer Nash,

2. J. F. C. Harrison, Robert Owen and the Owenites in Britain and America (London, 1969), p.204.

3. W. H. Oliver, 'The Labour Exchange Phase of the Co-operative Movement', Oxford Economic Papers, New Series X, (1958).

a jeweller, was making or selling jewellery. All that can be concluded from the list of men involved with the formation of both the A.R.I.P.E.E. and the 'National', therefore, is that there were some perhaps in the status of masters, whose retail businesses were getting large enough to appear under the retailing categories of the London directories. To say that they were shopkeepers is totally misleading. A study of contemporary directories shows, in addition, that there were amongst them a good number of the well-off intelligentsia, whom Owen had inspired with earlier schemes for the poor. (see appendix 6a).

At Birmingham the exchange was initiated apparently through one or two public meetings. The writer says 'apparently' because on closer study it is clear from a document in the Robert Owen Papers that these meetings were carefully stage-managed affairs at which people had previously been designated to speak and to propose certain prearranged motions ⁴. This has all the hall-marks of a Robert Owen-style of organisation. His chief tool in Birmingham was William Pare and it seems likely that it was he and his fellow Birmingham Co-operative Society committee members, such as William Hawkes Smith, who arranged both these meetings and the speakers and resolutions ⁵. Every man who proposed or seconded a resolution at the meeting which

4. Unsigned manuscript detailing intended proposers and seconders for motions, and the intended governor (G. F. Muntz), at a public meeting in Birmingham on 26.11.1832. (585 R.O).

5. For a biography of William Pare see R. G. Garnett's 'William Pare Co-operator and Social Reformer', Co-operative College Papers, 16, (1973). Brief notes on William Hawkes Smith can be found in J. F. C. Harrison, op.cit., p.74n.

initiated the setting up of a Birmingham branch exchange, was elected to serve either on the preliminary committee or on the exchange management (see appendix 6b). These, again, were men of similar background to the London organisers but not identical. There appears to be a mixture of a few master craftsmen - small metalware manufacturers typical of the Birmingham metal industry and middle class professionals. In both London and Birmingham the printing and publishing trades were well-represented amongst the organisers indicating the radical press's links with the co-operative movement. Both exchanges had, therefore, an organising band of men who were ranged through from the odd master craftsman to a large number of comfortably off manufacturers, retailers and gentlemen. The artisans who later took over the 'National' exchange in 1833 identified them as 'our more opulent friends' 6.

One might be forgiven for being surprised by the presence of so many 'establishment' figures organising a rather revolutionary manufacturing and trading establishment. It seems that this can largely be explained by Owen's charisma and persuasiveness. His charisma had developed over the years and is hard to pin down, but certainly his name was sufficient to entice people to any scheme he proposed. His persuasiveness was deployed to get the most influential people into a scheme from the start, and his behind-the-scenes efforts usually started with the friendly persuasion of people with money and influence. Hence his

6. The Crisis, 111, (14), 30.11.1833, p.107. (Hereafter cited as Crisis.)

efforts in Birmingham were immediately directed at involving:

the Attwoods, the Scholefields, the Muntzs, the Joneses and many others, who had been long labouring in the public vineyard. ⁷

Owen would have agreed with the comment of a Mr. Savage, who pointed out that people such as himself had the advantages of, 'time, talents, property, interest and influence' to offer the experiment ⁸. For example, in Birmingham they were able to get the exchange idea off the ground by financing large scale leaflet distribution and hiring a large local horse and carriage repository for public meetings ⁹.

When studying the motives of those who organised the 'National' exchange it is important to remember that it was very firmly in the hands of the 'Association' and as such was brought into existence by men primarily interested in the usual run of Owen's activities - educational programmes, schemes to change the moral values of the nation, and projects to aid the poor. The last of these motives seems to have been very prominent amongst both the 'National' and the Birmingham branch organisers. The preamble to the regulations of the 'National' exchange stated its aims as being, 'relieving the productive classes from poverty by their own industry' ¹⁰.

At the public meetings addressed by the organisers of both exchanges there are to be found frequent references to the

7. Crisis, 1, (38), 24.11.1832, p.150. See also ref. 31 and 583 R.O., 25.11.1832.

8. ibid., 1, (30), 29.9.1832, p.119.

9. Letter from William Hawkes Smith to Owen dated 23.10.1832. (574 R.O.)

10. Crisis, 1, (27), 8.9.1832, p.105.

state of the nation, and, in particular, the pitiful state of the unemployed 'industrious classes'. Typical references were to the problems of under-employment and starvation wages. Committee reports of both organising committees were prefaced by the same expressions of concern ¹¹.

These men regarded themselves, if not as grand philanthropists, like Owen, at least as good charitable members of society. William Hawkes Smith of the Birmingham exchange identified both equitable exchanges and themselves in such terms:

It was the great unknown good, believed in
but long sought in vain by the benevolent ¹²

One of the two Mr. Savages involved at London expressed the following typical sentiments of the London organisers, saying that:

He was anxious to give his attention to
anything that would ameliorate or prevent
poverty. 13

These, one suspects, were self-made men who appreciated their own fortunate positions in life and simply wanted to help the less fortunate. Indeed, they would probably have supported any local project to aid the unemployed who wanted to work.

They varied, one gathers, considerably in their understanding of the way equitable exchange was going to help the 'industrious classes'. Those like William Pare, who was active in the co-operative movement and had read and discussed the subject fully, were probably in the minority.

11. *ibid.*, 1, (25), 25.8.1832; 1, (40), 8.12.1832; 1, (41), 15.12.1832; 11, (7), 22.2.1833, 11, (13), 6.4.1833.

12. *ibid.*, 1, (40), 8.12.1832, p.159.

13. *ibid.*, 1, (25), 25.8.1832, p.98.

Most thought that exchange would simply provide 'general employment and a full and fair remuneration' ¹⁴. The hope that equitable exchange would result in full employment for all was a well-founded one since it had indeed been propounded by Owen in The Report. Indeed, it is expressed by the groups which organised the independent exchanges. For example, the Western Union Exchange Bank organisers said they hoped that their efforts would enable, 'those poor men out of employ..(to) have some employment' ¹⁵.

It is clear that Owen never had any intention of involving the working classes in the organisation of his exchanges or any other of his projects. He declared in 1835:

The working classes never did direct any permanently successful operations.. whenever working classes have attempted any complicated, important measure that required unity, patience & perseverance to bring it to a successful issue, they have failed in every instance as soon as they have taken the direction of it. ¹⁶

As a result, Owen's exchanges were firmly directed either by himself or a chosen few. In Birmingham where Owen was unable to direct things so closely, the organisers, and, one suspects, Pare in particular endeavoured to involve the working classes more. Placards displayed in Birmingham to publicise equitable exchange proclaimed: 'Trust to Yourselves', and a quotation by Robert Peel, telling the working classes to help themselves, was referred to more

14. *ibid.*, 1, (40), 8.12.1832, p.158.

15. Letter from W. Watkins to R. Owen dated 23.1.1832. (503 R.O.)

16. R. Owen, The New Moral World, 10.10.1835.

than once ¹⁷. He did succeed for a time in involving James Morrison, a painter and member of the new Builders' Union, in helping to organise the new branch but Morrison eventually decided to devote his time to the union and his journal, The Pioneer ¹⁸. Pare's interest in involving the working classes more actively in the exchange movement appears to be part of his notion of a 'capitalist labourer'. This unfortunately is a term that is never fully explained but which appeared in the Brighton Co-operator in 1828, where capital, comfort and independence were simultaneously advocated ¹⁹. This call was further promulgated by both Pare and William King, the umbrella-maker, in the Birmingham Co-operative Herald in 1829. Here it is expressed as the idea that the working classes would become independent and self-supporting, working on their own account. Who would then work for the erstwhile employers was never mentioned! When Pare confronted the idea of equitable exchanges in 1832 it may have been that he could see in it a way of making all working people into 'capitalist labourers', working for themselves and taking initiatives for themselves. Hence, it is suggested, derives the involvement of the odd working-class person in the Birmingham branch organisation.

17. Birmingham Journal, 11.8.1832; Crisis, 111, (14), 30.11.1833, p.110; 1, (25), 25.8.1832, p.99; The Pioneer, quoted in G. D. H. Cole, Robert Owen, A Biography (London, 1925), p.205.

18. A biography of James Morrison consists in John Sever's, 'James Morrison of "The Pioneer": Notes on his Life and Background' (Oxford, 1963), unpublished typograph.

19. The Co-operator, (1), June 1828, p.3.

In both Birmingham and London, no doubt the idea of changing the unemployed and under-employed into self-employed small businessmen, was attractive. No doubt the organisers were the sort of magnanimous men who would have been pleased to see the less well-off set off on the road to independence and success that they had trodden themselves. In addition, one wonders whether they also saw such schemes as equitable exchange reducing the burden of the poor rates that fell upon them but this, of course, was never voiced!

Perhaps surprisingly, a motive that one might have expected to be at the forefront of any philanthropic scheme, that of religion, does not appear. The only occasional hints at religion are occasional references to money being the root of evil ²⁰. Owen was, of course, notoriously against established religion and no doubt church people with a desire to help the poor would have done so through other groups rather than be drawn into an Owenite organisation.

Another significant motive amongst the organisers was that of achieving a form of 'union' with all the benefits they believed that 'union' could bring. When one considers the very individualistic appeal of equitable exchange, this at first sight seems paradoxical. Harrison has, however, identified the concept of 'union' as very important to this period of co-operative history ²¹ and there is no doubt that an idea of 'union' was often at the back of the organisers minds because it is frequently mentioned in The Crisis,

20. Crisis, 1, (25), 25.8.1832, p.98.

21. J. F. C. Harrison, op.cit., p.200.

especially after the take-over of the 'National' by the 'United Trades'. It is never clear exactly what they meant by it though. Sometimes they talked in terms of union of a vague moral type, as advocated by Owen. Owen never expressed in clear terms exactly what he meant by it but he seems to have been influenced by the successes of the new trades' unions and the political unions into believing that he could unite men together to achieve a moral regeneration of the nation through the ideals of co-operation. The great spiritual improvement was to go hand in hand with equitable exchange towards establishing what Owen called his 'New Moral World'. A letter by James Morrison, one of the Birmingham organisers, illustrates well this vaguely Utopian idea of 'union':

Let our union be the union of the people-
the whole people I mean. Let the working
classes and their friends make the Exchange
Union, with its remote advantages, their
constant and persevering study and its truth
and beauty will soon seduce the great mass.

22

Owen had for a long time been concerned not only to improve the physical well-being of the working classes but also their spiritual life and this continued to be one of his interests long after the demise of equitable exchange - in fact, with increasing fervour as the years passed. It seems, therefore, that Owen, having briefly turned his back on communitarianism, began to see in equitable exchange another chance to change the moral standards of the nation. A union of co-operators - in 1832 to 1833, under the flag of equitable exchange - seemed the way to achieve this.

Some, including Morrison, conceived of the exchanges only as unions, calling them always 'exchange unions' rather than equitable labour exchanges. Exchange was seen by such people as being another example of the benefits of union because it brought working people together and through their working together the benefits of both manufacturing and retailing accrued to them. The idea of an exchange union was extended by some into a national union of all the exchanges. They were envisaging a time when there would be an association of exchanges all over the country and the benefits of 'union' would be even greater. Exchange organisers talked frequently of the importance of their ties with their fellow exchangers elsewhere, but nothing tangible ever came of these expressions of solidarity. No national organisation ever took shape to effect their plans for a national union of exchanges.

There was noticeably more talk of union and its power in Birmingham where a typical exhortation amongst the organisers was:

Let our watchword be Union! Union! Union!

23

In this town the Birmingham Political Union had been very active in the agitation that led to the passing of the Great Reform Bill, and since ten at least of the the sixteen men on the preliminary exchange committee were members of the B. P. U., it is not surprising that they too rated the

23. *ibid.*, 11, (31/32), 10.8.1833, p.252.

importance of 'union' highly ²⁴. Why these politically motivated men should have taken part in an Owenite venture when it was well-known that Owen himself considered politics to be a waste of time, is not immediately clear.

Clive Behagg has concluded in his study, Radical Politics and Conflict at the Point of Production: Birmingham 1815-1845 that the justification for founding the Birmingham exchange was 'unashamedly political' ²⁵. He appears to justify this by claiming links between the exchange organisers and the Midlands Union of the Working Classes, which had, according to Behagg, been formed out of the ashes of working-class involvement in the Reform Act agitation. Since it seems that the working classes were barely involved at all in the formation of Owen's exchanges, it is difficult to agree with Behagg in identifying the working classes as being behind the exchange. However, we can certainly see that some negative political motivation may have contributed towards its creation. There were occasional expressions of disappointment in the results of the Reform Bill shown by some of the exchange organisers, and it may be that on the rebound of the disappointment of what was finally accomplished by the Reform Act some of the B. P. U. members decided to join in something a-political.

24. These men were G.F. Muntz, S. Burrell, G. Edmonds, W. Boulton, W. Pare, J. Harlow, B. Hadley, U. Luckock, J.W. Evans, B. Woolfield. For further details of the B. P. U. see, The Birmingham Political Union and the Movements for Reform in Britain, 1830-39, by Carlos Flick (Folkestone, 1978). These men have been identified as B.P.U. members from the above book and from an uncatalogued list of members, amongst B.P.U. manuscripts at Birmingham Ref. Library.

25. C. Behagg, Radical Politics and Conflict at the Point of Production, 1815-1845, (PhD. thesis, Univ. of Birmingham, 1982).

The reason for their involvement was, however, not this simple. Firstly, as a result of William Pare being also a member of the B. P. U., he was probably very influential and persuaded his friends at the B. P. U. to support the scheme. Secondly, as we have already seen, Owen drew some in by particularly approaching influential members of the community to add weight to the scheme. Replies to his letters from at least two influential B. P. U. members - Attwood and Scholefield - survive. He perhaps wrote to many more. It seems likely, therefore, that, possibly briefed by Pare, he wrote to those who were considered the most influential men of Birmingham. With Pare's links with the radicals of Birmingham it is not surprising that the people they drew into the net were also mostly B. P. U. members.

Another reason for the preponderance of B. P. U. members was possibly currency reform. One of the leading currency reformers of the day was Charles Attwood. He was also the leader of the B. P. U. and, since equitable exchange had an interestingly novel currency aspect to it, this may have attracted the interest of some of the B. P. U. members. The question of currency reform will, however, be returned to later.

The men of the B. P. U. may also have been drawn in for philanthropic motives, for it seems that, in some respects, the B. P. U. acted almost like a type of Rotary Club. The distress of local manufacturers and tradesmen was discussed at their meetings and any solution, such as equitable exchange, which was put forward as a means of ending this distress would probably have been received sympathetically

by them ²⁶.

In London many co-operators were similarly associated with different politically motivated groups such as the 'Radical Reform Association', the 'Metropolitan Political Union', the 'National Political Union' and the 'National Union of the Working Classes' but only a few of these seem to have been Owenites. In London there seems to have been a greater split between those who sought change through political reform and those who sought it through Owen's 'New Moral World'. This was a subject much discussed amongst radicals and in their London journals at the time. Bronterre O'Brien, the well-known publisher of and campaigner for the 'Unstamped Press' described the split as follows:

The Owenite thinks that without property the working classes can never get represented in Parliament, and therefore he sets to work with his equitable labour exchange to get property; while the Radical thinks that without representation they will never be able to acquire property at all and accordingly he begins at the other end and goes to work for universal suffrage. 27

It is not surprising, therefore, to find that only a few men involved in the 'National' exchange belonged to political groups ²⁸.

26. C. Flick, op.cit., p.98.

27. Poor Man's Guardian, 22.9.1832.

28. The instigators of the 'National' exchange, known to have been involved in political groups in London, are: G. Marshall (NUWC), J. Brooks (MPU), J. D. Styles (NUWC), C. Rosser (NPU), B. Warden (RRA, NUWC, MPU), J. Savage (NUWC), T. Murphy (NPU), W. D. Saul (NPU, NUWC, MPU), J. Osborne (NUWC). NUWC=National Union of Working Classes. MPU= Metropolitan Political Union. RRA= Radical reform Association. NPU= National Political Union.

Apart from Owen's rejection of politics, another factor that worked against the involvement of radicals in Owen's London exchanges was the autocratic manner in which Owen organised and ran all his ventures. This put off democratically orientated people. Benjamin Warden, who was an active Radical as well as an enthusiastic supporter of equitable exchange, expressed concern at the Third Co-operative Congress that the proposed 'National' exchange was to be organised by the A.R.I.P.E.E. which he described as an organisation of 'perfect despotism' ²⁹. Again, in January 1833 a Mr. Waddington accused the committee of being improperly elected and despotic ³⁰. His objections were, however, rejected. These criticisms and their dismissal without question by Owen's fellow organisers indicate perhaps that the organisers were not very interested in democratic procedures. Owen had the ability to stand up at meetings to answer questions and criticisms, without ever actually answering them, and would get away with it. The people organising the 'National' exchange seemed to be so completely under his spell that critics were dismissed virtually out of hand.

There were inevitably a number of differences between the organisers of Owen's 'National' and Owen's Birmingham branch exchange, although Owen's plan had probably originally been to utilise the same type of person to organise both. By way of comparison, as far as can be seen, the independent

29. Proceedings of the Third Co-operative Congress (1832), p.47.

30. Crisis, 11, (1), 12.1.1833, p.5.

exchanges generally grew out of co-operative retailing and trading groups, whose organisers were simply ordinary working-class people. These were spontaneous grass-roots responses to their own economic distress and to the general publicity being given to the subject. Only one of these exchanges had political links, that at Theobald's Road, the home of the politically-orientated N.U.W.C. Bearing in mind the polarisation of opinion between Owenites and radicals in London, it is most surprising that this particular exchange ever got off the ground.

Amongst trades' unions, Pare's efforts to entice them into exchange resulted in only one proposal for a union-based exchange. This was in the Potteries ³¹.

The 'National' exchange became more democratically-based after its enormous upheaval in April to July 1833, when control was taken over by the 'United Trades Association'. The new air of democracy which pervaded most of the other exchanges then affected the 'National', as shall be seen later.

Apart from philanthropic, 'union'-based and political motives, currency reform was, it seems, the reason for some people to have become involved with equitable exchange. The debate concerning the relative advantages of metallic versus representative paper currencies had continued through from the 1810s into both the 1820s and 1830s, becoming especially prominent in the bank panic of 1825. In 1832 Attwood was still holding public debates on the currency question and,

31. *ibid.*, 111, (16), 14.12.1833, p.122.

according to Carlos Flick, had persuaded the 'marginal merchants and manufacturers in Birmingham who had felt the squeeze of a fluctuating economy...that a scarcity of money was the sole cause of their troubles' ³². G. F. Muntz, also a currency reformer, became chairman of the Birmingham exchange preliminary committee and an exchange council member. He seems to have seen equitable exchange as the means of curing the currency problem. He declared that:

either the system of labour exchanges would be made permanent or it would force the government to institute a strict and impartial enquiry into the whole monetary system, ³³

and a few months later he addressed a meeting of the exchange on the pros and cons of currency reform. Muntz, the wealthy patentor and manufacturer of metal ship bottoms, was obviously drawn into equitable exchange through the appeal of its currency aspects; perhaps Owen stressed this particular aspect when appealing to him for his support. The most desirable fish in this respect, Attwood, refused to be hooked. He said:

I will on no account consent to attend the meeting at Mr Beardsworth's, nor will I on my account act as a chairman or president of the intended organisation ³⁴.

32. C. Flick, op.cit., p.22.

33. Crisis, 1, (40), 8.12.1832, p.162 and 11, (7), 23.2.1833, p.52.

34. W. H. Oliver, op.cit., p.364 & p.366, incorrectly implies that Attwood supported the Birmingham exchange and chaired a meeting relating to the creation of the exchange. This is not so. The meeting Oliver refers to was a meeting of the B. P. U., which Owen addressed. Attwood's letter to Owen dissociating himself from anything at all to do with the Birmingham exchange is very clear, dated 16.11.1832. (579 R.D.). J. F. C. Harrison op.cit., p.205 also takes this incorrect view.

It has also been pointed out by Harrison that both Owenism and the Birmingham School of Economics contained elements of a theory of under consumption ³⁵. This may also have provided another area of common interest which served to draw the Birmingham currency enthusiasts into the equitable exchange movement.

In London the interest in the currency debate seems to have been only evident in King. He and a number of associates published a large number of information leaflets in 1831 and 1832 on currency and equitable exchange. It is probable that King wrote all these himself. The titles were such as The Circulating Medium, The Money Juggle, Four Letters on the Workings of Money and so on ³⁶. King's particular slant on the currency question, in relation to equitable exchange, was that exchange would provide a sort of moneyless system, a system whereby 'all the Business of Life may be transacted without Money' ³⁷. His rather naive position was that once one did away with the cause of the problem (the nation's currency), all the other problems - unemployment, trade depressions etc. - would also disappear. At the Third Co-operative Congress one man also took this view, stating that, 'Money was not necessary. Labour notes were sufficient' ³⁸.

35. J. F. C. Harrison, op.cit., p.73.

36. King's leaflets on currency in this period were: K., The Workings of Money (n.d.); K., The Workings of Money Capital (n.d.); K., The Workings of Capital (n.d.); K., The Workings of Capital part 11 (n.d.); A Co-operator, The Circulating Medium (1832); W.K., Currency (n.d.); W.K., Currency or the Money Jungle (n.d.).

37. A Co-operator (W.King), The Circulating Medium (1832)

38. Crisis, 1, (3), 21.4.1832, p.12.

Viewing equitable exchange as an economic system that would dispose of all the problems traditionally linked with the country's currency problems was, therefore, an attraction to some.

The perhaps misplaced over-emphasis of Muntz on the currency side of equitable exchange leads us to the question of how fully some of the organisers understood what equitable exchange was all about and what, exactly, they were lending their names, efforts and funds to. Muntz on one occasion stated that the idea that shop-keepers would suffer from the introduction of equitable exchange was erroneous³⁹. This, in fact, was far from true because the original intention was that exchanges would bring about the demise of 'unproductive classes' - such as shopkeepers. Another organiser admitted that he did not really understand the details of equitable exchange but considered that:

Uniformity in sentiment on abstract parts
was not necessary to unanimity in
operative or practical measures.⁴⁰

Under Owen's direction, as we have seen, the organisation of the two exchanges was undertaken largely by people above the rank of artisan. Trade societies and trades' unions were not initially involved in the organisation of the exchanges. Approaches were made by the organisers only to encourage the societies and unions to use the exchanges and this leads us on to both a consideration of the people who used the exchanges and how they compared with the type of person the

39. *ibid.*, 11, (7), 23.2.1833, p.52.

40. *ibid.*, 1, (30), 29.9.1832, p.119.

exchanges were intended for.

We have a fairly accurate idea of the trades which used the 'National' and the Birmingham exchanges because lists of those who had registered as intended depositors survive (see appendices 2a and b). These lists reveal two important points about the users of the exchanges. Firstly, the exchanges had certain specialities. As has already been pointed out in Chapter Two, London, since it was the capital city, had a luxury and specialist goods market. The depositors, therefore, brought in many unusual and expensive goods. In Birmingham the vast majority of people worked in the metal trades, and, as a result, half of the intended depositors can be seen to have been involved in this trade. The second fact that becomes evident from these lists is that these particular trades could never hope to fulfil all the consumer demands for a labour exchange to succeed. Prior to the 'National' exchange opening, Owen's published plan for the running of it listed the trades necessary for its success (see appendix 3). When this is compared with the two lists of depositors we can see that, although the 'National' and the Birmingham exchanges were engaged in producing some useful tools, they failed to supply food stuffs, leather, pottery, cloth, soap, tallow, tin and wood - in fact virtually all the primary resources needed. Other co-operative groups around the country, whilst expressing an interest in equitable exchange, never got as far as opening them exactly for this reason. They could see that their own local trade speciality, for example textiles, would present problems.

The depositors at Owens's exchanges, we can deduce, were working in traditional craft industries. They in fact described themselves as 'plain, self-taught unwashed handicraftsmen' ⁴¹. From their meetings, speeches and letters reported in The Crisis, it is quite clear that the majority were journeymen rather than masters - that is, they were wage-earners employed by masters, usually in the workshops of the latter ⁴². It has, however, been shown in Chapter Two that these people had neither the tools nor the raw materials to be able to use the exchanges without difficulty ⁴³. Neither presumably did they have workshops. Despite this, it is clear that journey-men were those most attracted to use the exchanges.

Despite the increasing dissolution of traditional working practices in the eighteenth and nineteenth centuries these men were probably in trades until then largely unaffected by the 'division of labour' or large-scale factory working. This was probably because the trades in which they were involved required the minimum of power and machinery and the maximum of skill and experience.

The men of these traditional trades also tended to cling to their traditional organisations - the trade and friendly societies. These were informal and semi-formal groups belonging to one trade, who met regularly, collected

41. *ibid.*, 111, (14), 30.11.1833, p.107.

42. *ibid.*, 1, (36), 10.11.1832, p.41; 111, (7/8), 19.10.1833, p.61; P.M.G., (39), 10.3.1832, p.309; Crisis, 1, (32), 13.10.1832, p.126; 1, (36), 10.11.1832, p.141; 111, (14), 30.11.1833, p.108.

43. See also Chapter Two ref. 104.

subscriptions and looked after their in- and out-of-work interests. Although the original intention was that exchanges would function on a 'one-to-one' basis, it was soon found to be much easier to administer the exchanges' business by dealing with groups of men rather than individuals. The trade societies of the different groups, therefore, gradually became involved. Later the trade societies also suggested they could also be used as information bureaus passing information back and forth about goods that were in particular demand. The different trade societies became so closely involved in representing the needs of their members at the 'National' that eventually their own association - 'The United Trades Association' became an integral part of the functioning of the 'National' and finally took it over, as has been previously mentioned. Such involvement of the local trade societies seems to have occurred also at Birmingham too but since the reports as to the functioning of the Birmingham branch are sparse it is impossible to be sure whether that too followed this trend of increasing involvement.

Some of the trade societies using the 'National' were formed before the exchange opened but other societies of journeymen formed specifically in order to aid their use of the exchange, as one group testified:

A mechanic stated that a number of his fellow workmen had formed themselves into a society of journeymen, who had resolved to labour for themselves, and not for others and to deposit the articles produced in the labour exchange. ⁴⁴

44. Crisis, 1, (26), 10.11.1832, p.141

Many existing trade societies, however, were not at all interested in joining the exchange. Mr. Pryer, one of the organisers noted that, 'The present trade societies have a strong aversion to labour exchange' ⁴⁵.

In Birmingham the Builders' Trades Union **did** become involved as a result of Pare's and Morrison's influence but we cannot be sure about any others. In a letter printed in The Crisis in December 1832 Pare optimistically wrote to Owen that:

The different trades unions which we are meeting every night are taking the matter up with spirit. ⁴⁶

Apart from the Builders' Union in Birmingham, the only other definite interest shown in equitable exchange by any other union was by the Potters Union in Staffordshire ⁴⁷.

Considering that large trades unions were being formed at this time, such as the 'National Association of United Trades for the Protection of Labour' (1830), the 'Yorkshire Trades' Union' (1831/2) and the 'Miners Union' (1830), and also considering that Owen toured around the country a great deal addressing the new unions, one wonders why they were not drawn into the equitable exchange movement more. The reason is partly that Owen's lectures, although intended to be part of a campaign to promote equitable exchange, tended, it appears, to deal more with his new interest in the 'National Regeneration Society' and later, the 'Grand National Moral Union of the Useful and Productive Classes'. These increasingly absorbed his efforts. The other reason

45. *ibid.*, 111, (7/8), 19.10.1833, p.64.

46. *ibid.*, 1, (41), 15.12.1832, p.162.

47. *ibid.*, 111, (16), 14.12.1833, p.122.

for failing to attract the trades' unions was perhaps due to the unions themselves having such rigidly laid down and limited aims. These aims, which Owen regarded as short-sighted and narrow, were for higher wages and shorter working hours.

The exchanges also failed to attract users both from the master class of artisan and from the unskilled labouring class. As regards the former, there is no doubt that some organisers such as Pare had hoped that, 'Every individual working man as well as master', would use the exchanges ⁴⁸. There is no explanation in The Crisis for this lack of interest by the masters but the likely answer is that the masters were not in such desperate straits as the journeymen and did not need to find a retail outlet for their work. Many masters would have already had their own retail outlet for their goods on or near their workshop.

As regards the labouring classes, the exchanges failed dismally. This was especially significant since the original intention of equitable exchange as put forward in the Report to the County of Lanark, had been to help the poor who were un- or under-employed. As plans developed and exchanges got off the ground it is possible to detect a gradual trend away from this original philanthropic intention and towards helping only those who were already one rung up the ladder--that is, those who already had tools, materials and skills. The very poor could, of course, offer themselves for labouring through advertising their services in the exchange

48. *ibid.*, 11, (12), 30.3.1833, p.93.

but they could not get started in any of the manufacturing trades, as was indicated by the letter from 'T.C.' in Chapter Two because they had neither tools nor raw materials and could not afford to buy them or to undertake apprenticeships. Such people were caught in a vicious circle with little hope of escape even in Owen's exchanges. They certainly received very little help from other exchange users. The question of whether the exchanges were indeed helping the very poor was discussed briefly at a meeting at the 'National' exchange in November 1833. At this time delegates decided that anyone wishing to exchange for raw materials should pay half cash for them. Only one man spoke out against this change saying that it was contrary to the aims of equitable exchange in that it prevented the use of the exchange by those who had no coin-of-the-realm. The other men at the meeting, although agreeing with his analysis of the situation, concluded that it was better for the exchange to be useful to some of the people rather than none and that that was the way it would have to remain for the foreseeable future ⁴⁹.

The exchanges had, therefore, only limited appeal - that being chiefly to journeymen. When one takes into account that in London there were estimated to be about 100,000 journeymen, the 800 depositors at the 'National' at Charlotte Street shows that only a very small proportion were drawn into equitable exchange ⁵⁰. Having said this,

49. *ibid.*, 111, (15), 7.12.1833, pp.118-119.

50. M. D. George, London Life in the Eighteenth Century (London, 1925), chap. 1V.

there still remains to be explained the fact that, for some reason, journeymen were the people who were attracted towards the exchanges. The reason for this can to some extent be discerned in the working patterns of the country. E. P. Thompson says that, 'The first half of the nineteenth century must be seen as a period of chronic underemployment' ⁵¹. Thompson has also pointed out Henry Mayhew's concurring analysis of the London labour market in the first half of the nineteenth century. Mayhew said that:

In almost all the occupations there is a superfluity of labourers. In the generality of trades the calculation is that one third of the hands are fully employed, one third partially, one third unemployed throughout the year. ⁵²

Prothero adds to the picture in ascertaining that the three main trades of London, the cabinet makers, the tailors and the shoemakers, were all suffering from labour surplus ⁵³. This is born out by the fact that these were the three main trades using the 'National' exchange. In November 1833 a meeting of all the tailors of London concluded that :

the present scarcity of employment so generally and so justly complained of (is because) the supply has so greatly exceeded the demand, whereby the quantity of labour required has unequally and unjustly fallen into the hands of the few while the many are left too partially employed. ⁵⁴

51. E. P. Thompson, The Making of the English Working Class, (Pelican edn. 1968) p.269.

52. H. Mayhew, London Labour and the London Poor, (1849), 11, p.338, cited in E. P. Thompson, op.cit., pp.275-6.

53. I. Prothero, Artisans and Politics in Early Nineteenth Century London: John Gast and his Times (Folkestone, 1979) p.269.

54. Crisis, 111, (14), 30.11.1833, p.110.

The problems facing the tailors faced other groups. It was a vicious circle whereby the large numbers in each trade were forced to work very long hours in order to earn a pittance. The long hours worked caused the unemployment of others who eventually worked even longer hours for the same wages in order simply to be employed and be earning something.

Long hours, however, did not mean regular hours, since many trades were affected by the sharp booms and depressions of economic life at the time. W. H. B. Court sums up the economic situation in the words:

Production and incomes fluctuated wildly
and unpredictably. 55

Specific trades also had their own problems. Prothero identifies the London shoemakers' particular problem as being the chamber masters. This was a man who employed all his family in the processes of manufacture ⁵⁶.

The men who used Owen's exchanges were, therefore, the type of people easily able to identify with Owen's particular analysis of the country's problems. They were able to identify with his statements on 'poverty in the midst of plenty' and the labourer not receiving the full value of his labour. They began to absorb Owen's identification of an improperly circulating medium of exchange as a contributory factor in their problems; and to understand competition, lack of co-operation, and 'buying cheap and selling dear'. They talked of the 'slavery and

55. W. H. B. Court, A Concise Economic History of Britain, from 1750 to recent times (Cambridge, 1954), p.104.

56. I. Prothero, *op.cit.*, p.251.

anxiety of competition' and of Owen's theories ⁵⁷.

On more specific matters we see that the concerns of the users were the typical concerns of journeymen, that is, full employment, good wages, financial assistance and trade rivalries.

Lack of employment is evident from frequent reports of the delegates from different London trades about the numbers of members kept in full employment as a result of using the exchange. In order to maximise employment we see the introduction of what was, according to Prothero, a typical artisan practice, 'the loan fund' ⁵⁸. Several of these were started at different times in the lives of Owen's exchanges. They were organised in a complex manner and utilised coin-of-the-realm. It seems that, both in this respect, and others, as we shall see, the journeymen were unwittingly distorting the aims of the exchanges in order to continue their traditional trade practices.

Wages were another traditional concern of journeymen's trade societies, for they were often threatened with wage cuts. Here equitable exchanges seemed to offer both a fair and a stable wage. The fair wage resulted from the exchanges' intention to pay each man the full value of his labour. Although Owen had originally advocated the same reward for all types of work, this proved impractical. It was recognised from the time of the opening of the 'National' exchange that in order to entice the more highly skilled artisans there would have to be differentials but

57. Crisis, 11, (14), 13.4.1833, p.111.

58. I. Prothero, *op.cit.*, p.264.

even this did not satisfy certain trades. There were still disputes though, as is witnessed by the 'Ladies Shoemakers' delegate, Mr. Voak, who claimed that:

The shoemakers were worse paid than almost every other class of operatives; he thought it but fair that they should have an equal rate to other trades. 59

The jealousy with which the exchangers regarded their labour pay indicates their lack of co-operative spirit, which is also evident in other ways. The different groups of men adopted petty and isolationist attitudes. Whilst Owen kept a firm hand on the 'National' he seemed to be able to smooth the discontents and direct people's minds towards higher ideals. Once Owen took a back seat and the 'United Trades Association' took control of the London exchange, it gradually became both physically and spiritually more and more divided. This started with things like the different trade loan funds and ended not only with each group adopting their own rules for using the exchange but also the actual establishment of individual stores within the exchange 60.

One problem with endeavouring to entice large numbers of working men indiscriminately into the exchanges was that the users were not all co-operators, never mind Owenites. The Birmingham branch was, according to John Rabone, one of its organisers, used, 'chiefly by strangers (who) come to make a trial of it' 61.

59. Crisis, 111, (2), 14.9.1833, p.15.

60. ibid., 111, (14), 30.11.1833 and 111, (21), 18.1.1834, p.167.

61. ibid., 111, (7/8), 19.10.1833, p.64.

Pare's letter to Owen which stated:

Only convince these fine hearted men that
our plan will really do them good, and you
have an army on your side at once. 62

also indicates that the co-operators were perhaps mistakenly over-emphasising the short-term benefits to unionists and also perhaps to trade societies too, which in turn may have attracted the type of men lacking in Owen's co-operative ideals.

Another example of the use of the exchanges by people with only short-term and, therefore, limited aims was the use of exchanges by people on strike. Some workers used the opportunity presented by a strike to embark on forming a co-operative manufacturing company to supply exchanges but it seems that such people used the exchanges generally just as a stop-gap until the strike was over. This occurred, in particular, in London with striking tin-plate workers and sawyers in the summer of 1833 63.

Apart from their journeymen preoccupations, perhaps the most interesting other characteristic of the users of the exchanges was their keen interest in democratic procedures. Grass roots co-operation - away from the sphere of Owen's autocratic influence - had always been interested in democracy. The independent exchanges display this. In these the users had control of the running of the exchanges from the start. In Owens's exchanges this only occurred after Owen gave up the control of them. After this point - July 1833 at

62. *ibid.*, 1, (41), 15.12.1832, p.164.

63. *ibid.*, 11, (25), 29.6.1833, p.195 and 11, (26), 6.7.1833, p.188.

the 'National' exchange - it is significant that shareholders ceased either to be mentioned or receive their previous preferential attention. Thereafter the most important people at the 'National' were what were called the 'noteholders', that is, the users of the exchange. They decided that the 'National' would now be 'founded upon representation'⁶⁴. The Birmingham exchange, which was about to open at the time of the changes at the 'National', made some democratic alterations, too, to Owen's set of rules, such as the secretary having to be elected by ballot instead of being appointed by Owen. The new democratic atmosphere at Owen's exchanges belatedly brought them into line with both the independent exchanges and the co-operative societies which had long been influenced by the contemporary interest in democracy. The Owenite exchanges had originally been somewhat out of step with the rest of the co-operative movement and the other exchanges in their organisation.

Owen put his trust in money, influence and philanthropic motivation to get his exchanges off the ground, just as he had done many years before with his villages for the poor. It has been shown that the people drawn to help him establish his exchanges were of various backgrounds, although mostly upper and lower middle class. They were also those with admirable motives - but who neither understood fully what equitable exchange was about nor were able to identify with the needs of the users. The result was that Owen's exchanges had organisers without a proper

64. *ibid.*, 11, (15), 20.4.1833, p.114.

understanding of equitable exchange, without the right motives and with no idea how to work together with their users. This did not suit the journeymen users who, not surprisingly came to resent Owen's 'do-gooders', and finally had to oust them from control. Unfortunately the journeymen only had their experience of their trade societies to draw upon when they decided to take things into their own hands and their actions have all the hallmarks of narrow journeymen practices. As a result, the exchanges, instead of retaining Owen's lofty ideals, soon deteriorated into a loose amalgam of trade societies riddled with inter-trade rivalries, with a penchant for democracy and change but with little or no experience of the important basics of wholesale and retail business.

It has been shown that equitable exchange failed totally to accomplish anything for those whom Owen had originally hoped to reach when writing the Report - the poor. People without either manufacturing skills or cash were not attracted to equitable exchange and, in fact, were gradually further excluded, if that was possible, by the different amendments to the rules and regulations that were introduced as time went by.

Chapter Four

CAUSES OF FAILURE

By 1835 every one of the equitable labour exchanges established in the early 1830s had closed. Historians of early co-operation and biographers of Robert Owen have indicated a variety of reasons for the demise of the exchanges but none has undertaken a proper analysis. These historians have, however, simply picked upon the words of one co-operator or another as sufficient explanation of the failure: words such as those of William Pare, who reminiscing thirty years later, declared that:

Those who availed themselves of it
(equitable exchange) were too ignorant,
too selfish, too dishonest; added to which
the whole forces of a vast erroneous
system were against us. 1

This quotation is in fact a useful starting point since it gives an indication both of the variety of the problems which beset the exchangers and it indicates the enormity of the task they faced in taking on the existing market system.

Since all three of Owen's exchanges ran on virtually

1. The Co-operator, 15.8.1865, quoted by J. F. C. Harrison, Robert Owen and the Owenites in Britain and America (London, 1969), p.206.

identical lines, the problems that faced one, faced them all. The reader can therefore assume that any problem that is recorded as having been experienced by the 'National' were common to the other two.

Only a very few co-operators, and interestingly Pare was one of them, had dared to express fears for the success of equitable exchange whilst it was in the planning stage. The majority of co-operative sympathisers were carried along by Owen's charisma and were seduced by the much vaunted naturalness and justice of the scheme. Through equitable exchange they understood that each man would be rewarded exactly according to his labours. It seemed to be the answer to all the problems of the working man but it totally ignored the forces of supply and demand, which in the competitive world determines price. To be fair to the co-operators, no economist had at that time made any detailed study of supply and demand and their determination of price. Price was thought at that time to be determined by prime cost. The labour theory of value as propounded by the Ricardian socialists and Owen himself, had explained price as being determined by the amount of labour expended on the article concerned. They made the mistake of confusing 'value' and 'price'. Labour may be considered to give value to an article but this may, in fact, bear no relation to the price an article might fetch in the market place where the two chief determinents are the desire of people to purchase the article and the supply of other similar products.

By trying to fix price by a labour valuation method the exchanges encountered a variety of problems. The basic one

was that they had not isolated themselves from the free market system that they were in theory rejecting, and were exposed to these outside forces. When they gave a deposit a once-and-for-all labour value they were interfering with the price mechanism which could no longer move to equalise supply and demand. They did not realise that they also had to regulate supply and demand. To fix price without introducing some method, such as rationing, to control at least one of the other forces was a recipe for failure.

Fixing the prices of deposits as they did, affected both the quantity and the type of goods presented at the exchanges. Quantities were affected in various ways. If goods were given a value higher than the one that the free market system would have arrived at, the result was that large quantities of goods would be deposited but not exchanged.

The published accounts of the 'National', the Birmingham and the Blackfriars exchanges, although inadequate in many respects, do show, as was mentioned in Chapter Two, that the deposits continually exceeded exchanges. Such large stocks were particularly disastrous if they happened to be perishable goods because the stock could not be cleared by reducing the price.

On the other hand insufficient quantities of goods were deposited where the valuations were too low. In such cases there would be a rush on the goods, followed by either no further supplies or continual shortages. This was the case with provisions and raw materials.

In 1830 Pare had estimated that three-fifths of a working

man's income was spent upon food-stuffs ². E. H. Hunt has recently more than confirmed this by placing the proportion at nearer three-quarters, before 1850 ³. The demand for food-stuffs amongst the depositors, therefore, far exceeded that of any other goods and could not be satisfied. Evidence of this has already been seen in the special efforts made to attract agricultural deposits, in Pare's trips around the country and to Ireland and in his exhortations to form agricultural unions. The provisions' supply problem was never overcome. At the 'National' exchange it occupied increasingly more and more of the management's time and cash reserves.

Chronic shortages also occurred in the areas of raw materials and tools. The numerous efforts at the 'National' exchange to establish a variety of trade funds for the purchase of such materials indicate the scale of this problem. Again, over the months it occupied increasingly more and more of the management's time and capital. Samuel Austin, the original secretary of the 'National' exchange, concluded that:

The chief difficulties in the carrying into practice the principles of equitable labour exchange have been the want of raw materials and provisions. ⁴

The problem was that by the time the management realised this, the decline was already well under way. For, by this time, customers had realised that they were not able to

2. Letter from W. Pare to Weekly Free Press dated 21.8.1830. (R.O. 130)

3. E. H. Hunt, British Labour History 1815-1914 (London, 1981), p.81.

4. Crisis, 111, (10), 2.11.1833, p.78.

spend one hundred per cent of their labour notes in the exchanges on what they wanted. William Lovett particularly recalled that the exchangers' wives found shopping at one exchange too confining⁵. Exchangers, therefore, deposited less and used their exchanges less and less for purchases.

The type of goods presented was also influenced by labour valuation. In London where many artisans worked on the manufacture of luxury goods, there was, as was shown in Chapter Two, a preponderance amongst the depositors of these trades. Their produce was not the type of article demanded by working men but, although demand for these goods was very low amongst the exchangers, the price given to such depositors was artificially high, being calculated on labour content rather than demand. The supply of luxury goods to the exchanges was, therefore, sustained despite the fact that nobody wanted them. The independent exchanges suffered exactly the same fate; as William Lovett recalled of the Gothic Hall exchange:

the amount of the ornamental and comparatively useless articles which had accumulated in the bazaar preponderated greatly over the useful. ⁶

An anonymous Birmingham man had written to the Birmingham Labour Exchange Gazette in 1832 warning that this would happen if they continued:

to receive all the articles that are brought into the exchange and to pay for them not in proportion to the demand for them but to the labour (in them). ⁷

5. William Lovett, The Life and Struggles of William Lovett, (London, 1876), pp.42-3.

6. *ibid.*, p.47.

7. Crisis, 11, (16), 16.3.1833, p.76.

Owen's reply to such criticisms was that, 'useless, obsolete or fantastic fabrications', would not be received⁸; but how could this be done? For the receivers to take into account the utility or otherwise of deposits was impossible according to the simple labour-time valuation system. In any case, such a move was contrary to the principle of equitable exchange in that it impeded the free exchange of goods. Despite this, all the exchanges seem eventually to have introduced a right to refuse goods considered useless. An alternative, which was introduced by the 'National' late in its life, was to accept doubtful goods only on a sale or return basis.

Another type of article which came to preponderate was the 'labour intensive' article. Mr. Pryer of the Tailors' Society at the 'National' exchange, drew the attention of the committee to this problem:

The interest of a depositor was not to bring in those articles which were most in request but those on which he could manage the greatest amount of labour at the least cost for material. ⁹

As an illustration of this trend he pointed out that although people needed trousers, the tailors were tending to make and deposit waistcoats. This was not only because waistcoats used less material than trousers and therefore needed smaller capital outlay, but also because they received a higher labour valuation than for trousers because they took longer to make. There was no way of preventing this sort of thing happening. All that could be done was to

8 *ibid.*, 11, (16), 16.3.1833, p.76.

9. *ibid.*, 111, (15), 7.12.1833, p.118.

exhort the tailors to produce trousers out of brotherly motives.

Some exchanges, for example Gothic Hall, limited their sphere of business to manufactured goods alone. Whilst this method of working disposed of the problems relating to provisions it involved exchangers in a type of establishment that could never be the comprehensive instrument envisaged by Owen. These exchanges could never be more than just a market place for the products of occasional spare-time labours.

These problems of supply and demand relate to the fixing of price without being in the position to regulate supply and demand. The original idea of equitable exchange had been broached by Owen in relation to a self-sufficient community situation and perhaps it would have succeeded in just such a community. New Harmony, as we have seen, did not put equitable exchange into practice but the community at Ralahine, in Ireland did. This community used labour valuation and labour notes and appears to have been relatively successful because Vandeleur and his agent, E. T. Craig, were able to stabilise the market forces by strictly controlling the supplies of goods and the currency situation. The communitarians were not permitted to purchase goods outside of Ralahine, and the few goods considered vital but not produced by themselves were purchased by Craig for the community and paid for through Vandeleur by selling surplus community produce ¹⁰. Ralahine, therefore, came very

10. *ibid.*, 11, (27), 13.7.1833, pp.214-5. The only exceptions were that the local hatter, shoemaker and tailor supplied communitarians with clothing for labour notes.)

close to achieving isolation from the market forces that disrupted the other exchanges. It also, in addition, had the advantage of being essentially agricultural, producing and exchanging the basic food stuffs that the communitarians wanted most.

In the world of the competitive society another important factor which contributed towards the failure was labour valuations and the new labour currency. In the 1830s it was held that price was determined by prime cost and, since Owen had explained labour valuation as being basically the same thing as prime cost, it seemed to co-operators that the new system would be as straightforward to calculate as the former method. It was, however, very complicated and was made more so by their lack of experience. One problem was in calculating the labour value of the raw materials, since they might have had hardly any labour expended upon them. Other problems arose from the very complicated calculations involved in articles which consisted of a variety of prefabricated parts each of which had to be labour-valued in order to ascertain the value of the finished product. The valuers also had difficulty in verifying depositors' claims regarding the hours of labour expended on an article and the amount of skilled labour employed in articles. We do not know the identities of the first valuers at Owen's exchanges but we do know that they had soon to be replaced by artisans more experienced in such matters. The new valuers limited themselves to assessing goods relating to their own particular trade. This ought to have achieved more accurate valuations but it in fact introduced an element of

partiality, which created more problems, as we shall see later.

Problems with the new labour notes derived chiefly from their having to compete with coin-of-the-realm. The original intention was for the new currency system to run happily parallel with the old system but the two currencies in fact became inextricably entwined and the old established one inevitably took the upper hand. It had been hoped that the new labour note system would gradually take over from the old system and that during this intermediary period, exchanges and exchangers would make some use of coin-of-the-realm to pay demands, such as rent and taxes, and for essential goods which were in short supply. Owen had calculated that £2,000 was needed per exchange to carry them through this intermediate period. Neither the 'National' nor the Birmingham exchange raised anything like this sum and they did indeed suffer as a result. It is, however, unlikely that enough capital would ever have been raised. The fact was that unless the whole country - indeed the whole world - went over to equitable exchange, coin-of-the-realm would always have been needed to purchase something. We can thus see that there would always be a continual drain of coin out of the system. For example, in the case of the rental of premises, William Bromley demanded £1,700 per annum for the premises at Gray's Inn Road. Even the £148.10s.6d. per quarter at Charlotte Street was impossibly large. The inability to pay rent at Blackfriars Road caused its closure and its stock to be impounded. Until such time as they were able to purchase their own exchange buildings this

cash problem was going to be never-ending and since they did not generate any new coin-of-the-realm in the course of their business, they were never able to save towards such an event.

Some of the independent exchanges on the other hand used their ingenuity to get around the rent problem. The Gothic Hall organisers negotiated the use of their building for a payment made 'in kind' from the deposits ¹¹. At Ralahine, Vandeleur accepted corn and other produce instead in rent in cash ¹². This he presumably then sold for cash.

Rent was not the only cash problem, for wages were another large drain. The 'National' exchange, for example, paid out £259 4s.10d. in wages for the quarter ending October 1833. Again, in a situation where no coin-of-the-realm was coming back into the system the situation was quite hopeless. It had been hoped that the staff would take their wages in labour notes but this proved to be unacceptable, not surprisingly when one considers that the exchanges were unable to supply all their needs. Ralahine again succeeded in getting around this problem by insisting that all the communitarians received labour notes as wages.

The third large drain on cash was due to the shortage of provisions and raw materials. When it was realised that such goods were not being deposited, part cash / part notes, and later all cash deals were arranged with suppliers. One of the delegates at the 'National' summed up the cash situation

11. W. K. (ing), Gothic Hall Labour Bank (n.d.).

12. Crisis, 11, (27), 13.7.1833, p.214.

in relation to provisions as follows:

(It) keeps and must ever keep, the cash funds of the Exchange in a most inconvenient state of exhaustion. 13

Again, there was no return of coin into the system because the provisions purchased for the exchanges with coin-of-the-realm were exchanged for labour notes.

Eventually the 'National' exchange organisers decided to reorganise the sale of provisions on a cash-only basis to stem this drain. They hoped that this would not only ease the cash problem but that it would generate much needed coin-of-the-realm for them to use in other areas.

Surprisingly, even this project failed, which leads one to wonder how they could possibly cope with the unknown ways of working an equitable exchange if they could not even make a success of a provisions store! This reminds us of Owen's statement, mentioned previously, to the effect that he never had any confidence in the working classes organising anything for themselves.

To return to the currency problems; the plans of the exchangers to gradually dispense with cash and use only labour notes, failed not only because of the continuing demands for coin-of-the-realm but also because the universal acceptability necessary for any new currency did not materialise. The Crisis and the 'Robert Owen Papers' give the impression that the notes were well received at first. It is impossible to tell whether this was really the case, or whether the organisers were attempting to persuade

13. *ibid.*, 111, (14), 30.11.1833, p.107 (col.3).

everyone that the new currency **was** accepted everywhere in order that it **would** be accepted. What is certain is that the desire to hold labour notes did diminish over a period of time.

In theory the new labour notes were a perfect medium of exchange. It was to be a simple method of enabling men to exchange with each other, or a third party, articles on which they had expended equal mounts of labour time. Acceptability, is, however, the key to the success of a currency and, despite being continually reminded that the labour notes were 100 per cent safe, being backed by all the produce in the exchanges, public confidence in it declined. This was partly due to high valuations and partly due to the loss of 9,000 hours of stock, which occurred either before or during the move to Charlotte Street. Owen attributed this to theft but he naturally would not have wanted to admit that there might have been anything wrong with his scheme. It may have been due to things like written-off perishables and errors in book-keeping. Whatever the cause, the committee of the 'National' recognised this loss of confidence when they made the following statement:

the enormous deficiency that appeared in
the stock to meet the notes in circulation
(led to) the consequent confidence
destroyed..

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but they seem either to have been unaware of, or they shut their minds to, the inevitable consequence. This was that the much vaunted 'fact' that the new labour currency would always be stable and be 100 per cent backed by goods to the

full value of the notes, was shown to be blatantly untrue. The currency could never have hoped to recover from this body blow.

In addition, there was a chronic lack of confidence in the valuations. Those depositing complained that valuations were too low and those wishing to take goods out complained that the goods were higher priced than in the outside market-place. The exchangers soon found that accurate valuations were difficult enough even with the best will in the world but with the added problems of partial valuers and depositors hoping to make a quick profit it was impossible to achieve what Owen had thought would be so simple - an accurate valuation akin to prime cost.

Several warnings concerning overvaluation appeared in The Crisis. A typical one was made by W. R. Wood to trade delegates at the 'National' exchange:

in reference to the subject of valuation
(he) strongly advised its deep
consideration... for how could it be
expected that the public would come and
purchase our productions if they were
higher than the outer markets. 15

Shortage of the right type of goods was also an important factor in eroding the desire to hold the labour notes.

Mr. Pryer, one of the organisers of the 'National' confirmed this problem:

When the exchange is better supplied or
the Bazaar contains a greater variety of
articles, the labour note will be equally
as good as money. 16

15. *ibid.*, 111, (2), 14.9.1833, p.15.

16. *ibid.*, 111, (7/8), 19.10.1833, p.61.

By December 1833 Mr. Peel, also at the 'National', declared openly the fact, 'that the note was now depreciated was ... notorious' ¹⁷. The confidence was lost and the new labour currency continued its inevitable and irretrievable downward spiral.

Another quite different reason for the failure of equitable exchange is hinted at in Pare's words which opened the chapter: 'too ignorant, too selfish, too dishonest'. Equitable exchange was seen by Owen as a stepping stone towards his 'New Moral World' and, as such, he envisaged it being a practical application of this new way of living based on co-operation with resultant improvement in moral standards, brotherliness, disinterestedness, 'honesty of purpose and honesty of practice' ¹⁸. These attributes Owen seemed to think would go hand in hand with his schemes but, as at New Harmony, he was to be disappointed by the lack of such qualities in the people drawn in to his establishments. We shall see evidence of partiality, greed and a general disregard for Owen's ideals.

Equitable exchange, because it tended to encourage the efforts of the individual rather than the group, on the contrary, tended to foster a certain amount of selfishness, both individually and as groups. While Owen was personally at the helm of his exchanges there seems to have been more of an atmosphere of brotherly love but when he dropped out from the running of, in particular, the 'National' exchange, the unity of purpose and sense of vision

17. *ibid.*, 111, (15), 7.12.1833, p.119.

18. *ibid.*, 11, (27), 13.7.1833, p.216.

disappeared - to be replaced by narrow and petty attitudes.

As regards individuals, the type of person attracted to equitable exchange was not always what could have been desired. The exchanges organised by Owen were so large that, as was seen in Chapter Three, they attracted people who were not even 'au fait' with co-operation never mind equitable exchange. The need to introduce Depositors Associations to vet the character of prospective depositors is evidence of the problems they had with some of the people coming to use the exchanges. Some hoped to use the exchanges to make quick profits for themselves by 'buying cheap and selling dear' - an activity frequently decried by Owen. By December 1833 the committee of the 'National' exchange expressed their concern at the profit-taking going on:

that the labour notes were being issued
not for, '100% labour...but representing
cash, labour and in many cases profit'.
19

Some depositors were, according to Holyoake, shop-keepers who, 'dumped useless goods' on the exchanges' 20. However, at least one committed co-operator admitted to having been seduced by the ease with which ones unwanted goods could be disposed of at the exchanges. Benjamin Warden, who wrote a pamphlet advocating the benefits of equitable exchange, later admitted that even he had deposited poor quality leather goods at the exchange in order to get rid of them 21.

19. *ibid.*, 111, (15), 7.12.1833, p.118.

20. G. J. Holyoake, History of Co-operation, vol.1, (London, 1875), p.166.

21. Crisis, 111, (15), 7.12.1833, p.118.

(n.b. His pamphlet was entitled, Rewards of Industry (n.d.).

Groups at fault were chiefly the trade societies. These men allowed their traditional artisan interests to dilute the ideals of equitable exchange. Their valuers were periodically accused of not being perfectly impartial. The temptation was, of course, to overvalue goods presented by friends and members of one's own society. In addition, the different groups failed to work together. Samuel Austin had to make a plea for, 'good feeling amongst the different groups' in September 1833 but by early 1834 there was open recognition of 'strife and disunity' ²². The final reorganisation of the 'National' exchange in 1834 into totally separate trade shops confirms this ²³. Disunity showed itself also in the jealousy with which wage differentials were maintained. For example, the ladies' shoemakers were swiftly criticised for trying to improve their position by higher prices. Their representative, Mr. Voak, defended their action by declaring that the ladies' shoemakers had, 'never previously been paid as much as was fair and equal to the other trades' ²⁴.

The trade societies were also primarily concerned with maintaining full employment within their own particular trades. They attracted new members to the exchanges by suggesting that equitable exchange was the way to employ striking members and those who were under-employed. Some people seem, therefore, to have been drawn to use the exchanges simply as stop-gaps; convenient if one was

22. *ibid.*, 111, (3), 21.9.1833, p.19.

23. *ibid.*, 111, (27), 1.3.1834, pp.231-2.

24. *ibid.*, 11, (2), 14.9.1833, p.15.

temporarily out of work but not the means to a whole new way of life. Another practice that came to light was that some people used the 'National as a place to meet and arrange transactions that were then completed outside of the exchange in order to avoid paying the commission ²⁵.

It should be added that, even amongst Owen's keener followers, there was some ill-feeling and disunity. According to William King, communitarian co-operators resented the efforts of the equitable exchange side of the co-operative movement ²⁶. Even amongst the equitable exchangers there was division. As we have seen, the 'official' Owen exchanges would have nothing whatsoever to do with the independent ones. An apparently impartial observer, one Robert Meres, wrote warning of the dangers to the movement of having independent exchanges whose, 'premature schemes and bubbles (were) engendering at once disillusion and destruction' ²⁷. Owen agreed that, 'division of mind and dissipation of strength' were likely to result but he was one of the worst culprits when it came to going off at a tangent. He was in fact largely responsible for creating a labour exchange movement in two distinct groups by totally ignoring the pleas for advice and help from people like Watkins and King in 1830 and 1831.

As has been indicated, Owen is renowned for having been diverted to different projects during his life-time. Did this affect the success of the exchanges? In addition, were

25. *ibid.*, 111, (16), 14.12.1833, p.128.

26. *ibid.*, 111, (36), 10.11.1833, p.144.

27. *ibid.*, 111, (7/8), 19.10.1833, p.64.

the ordinary exchange people drawn into distracting schemes in an age when all sorts of novel and radical groups and establishments were commonplace?

Owen was continually attracted towards a variety of different methods of achieving his 'New Moral World' and his change of direction in the autumn of 1833 seems to have been typical. By this time he was organising his 'Society of National Regeneration' which was to develop into his 'Grand National Moral Union' and this, in turn, into the 'Grand National Consolidated Trades Union' of 1834. There can be no doubt that the exchange movement must have suffered from the decline in interest Owen publicly showed in his exchanges after the opening of the Birmingham exchange in the summer of 1833. They also, it seems, suffered internally from the withdrawal of his guiding spirit.

It may be that Owen's dissipation of efforts was mirrored by others involved. There were, indeed, at the time many middle and working class organisations that undoubtedly made calls on the time and energies of the organisers and users of the exchanges but there is definite evidence of only one person being drawn into other rival activities. This was James Morrison, one of the organisers of the Birmingham branch, who gave up his exchange work to concentrate on the Builders' Union and his journal, The Pioneer. It should also be remembered that many of the organisers were men with business interests, which must inevitably, albeit inconspicuously, have diverted their attentions away from equitable exchange. For most of these organisers, exchanges were not a matter of life and death. It did not really

matter whether they succeeded or not, and so the energy with which they worked at founding and running the exchanges must necessarily have been diluted.

To some extent, inexperience among the organisers, not just in equitable exchange, but in simple shop-keeping, caused the problems; especially where the exchanges were in the hands of artisans, inexperienced at either wholesaling or retailing. The Crisis at various times reports criticisms of the organisers for 'want of judgement', 'want of intelligence', 'want of prudence' and so on. Some of these qualities come, of course, with experience, and naturally there was no previous experience for them to draw upon in the case of equitable exchange. Had Owen taken the small independent exchanges under his wing early on, these could have been used as experiments to highlight potential problems. King, in fact, always spoke of the Gothic Hall exchange as an experiment. Owen, though, plunged straight in with his exchanges, no doubt still believing that the naturalness of the plan would see it through. All the exchanges had inevitably to learn as they went along. This resulted in frequent changes of rules and regulations and in the physical arrangements of the exchanges. This in turn probably caused both confusion and dissatisfaction amongst the users, which in turn no doubt created disillusion.

As has been indicated by the discussion of supply problems, what was really needed was a national system of labour exchanges with suppliers producing absolutely everything the exchangers needed. The importance of this was never properly considered before the exchanges opened.

On the face of it, there would appear to have been a national co-operative movement that could have been utilised but, despite the fact that there were national half-yearly congresses, there were no day-to-day links between the different groups of co-operative producers and retailers.

The accounts of the 'National' exchange, Blackfriars and Birmingham branches are all printed sporadically in The Crisis but it is difficult to derive from them any definite reasons for the failures. The accounts are not always presented clearly. Sometimes they include coin-of-the-realm, sometimes not. Sometimes the rental constituent seems to have been 'rental paid' rather than 'rental due' and therefore does not give the truth about outstanding debts. All one can really say about the accounts is that they show a steady decline in all three of Owen's exchanges.

G. D. H. Cole and R. G. Garnett imply that the collapse of the equitable labour exchanges can be somehow linked to the down-fall of the Grand National Consolidated Trade Union in 1834 ²⁸. Since, however, all the exchanges, whether Owen's or independent, had either closed by the end of 1833 or were on a very shaky footing by then, there seems little doubt that equitable exchanges died of their own accord.

In conclusion, it is obvious that the problems which faced the exchanges were many. At the heart of the failure was the fact that it was impossible to run a business on a fixed-price system without isolating it from the market

28. G. D. H. Cole, Robert Owen (London, 1925), p.220 and R. G. Garnett Co-operation and the Owenite Socialist Communities in Britain.1825-1945 (Manchester, 1972), p. 142.

forces of a competitive society, such as in a community like Ralahine. Once on the downward spiral, whether due to the inacceptability of the notes, the shortage of provisions and raw materials or the lack of capital, there was no way of retrieving the situation. The lack of co-operative spirit and the inexperience of the organisers simply speeded up the demise.

The basic problem of dealing with market forces was alluded to by the odd person but then forgotten. Others occasionally hinted at this problem when they talked of the incompatibility of the co-operative and the competitive systems, for example:

You cannot unite the two systems or any part of them together..... for nothing can be more opposite in their natures. 29

But no-one seems to have understood exactly why this was so. The conclusion they came to generally seems to have been that the competitive world was corrupt and it simply had this corrupting effect on both the equitable exchanges and the people involved. Pare's assessment that the 'forces of a vast erroneous system were against them' is typical. This view has largely been followed by later writers. For example, Harrison, having studied all the detailed aspects of the failure, concludes that the problem basically was that of a socialist institution in a competitive society ³⁰. This is skirting around the identification of the problem for supply and demand cannot be equated in a free market if the third component in the necessarily free-moving

29. Crisis, 111, (16), 14.12.1833, p.123.

30. J. F. C. Harrison, op.cit., p.207.

mechanism, that is, price, is fixed. It was not the actual community situation that made Ralahine more successful than the other applications of equitable exchange, although its isolation and agricultural basis certainly helped, it was the ability of the organisers to control the mechanism of supply and demand so that they were made to balance with the price. This sort of strict control was necessary whether the exchange was communitarian or urban. Having said this, history fortunately gave equitable exchange several more chances to try to equate these forces successfully. Such later developments are described in the next chapter.

Chapter Five

LATER DEVELOPMENTS

When the English equitable exchange movement fizzled out in 1834 Robert Owen, whom we have seen growing both bored and disillusioned, completely lost all interest in the subject. In fact when he was asked in 1840 - 'Was Gray's Inn Labour Exchange of your contrivance?' he answered, 'No' ¹. In a printed manifesto of Owen's of 1847 there was only the barest trace of equitable exchange. For in it he proposed a 'National Circulating Medium... that could be increased or diminished as wealth for circulation increased or diminished' ². This is far cry from the proposals in the Report to the County of Lanark and from his enthusiastic speeches at the opening of the 'National' and Birmingham equitable labour exchanges. Despite Owen's obvious abandonment of the theory and practice of his 'baby' it refused to die. The idea survived and was resurrected by various co-operators throughout the nineteenth century and it is proposed, in this chapter, to see if Owen's ideas and

1. New Moral World, VI11, (3), 18.7.1840, p. 36.

2. R.Owen, Manifesto, 20.7.1847.

(In a file of uncatalogued material at Co-operative Union Library, entitled 'Owen Miscellaneous Material').

practical application provided any lessons for later exchangers.

In England equitable exchange suffered something of a body blow in 1834. This was probably due not simply to the failure of Owen's exchanges but also because of their author's rejection of them. In other parts of the world, where the idea was still novel and where nothing of the problems encountered by the English exchangers was known, it continued to attract attention.

In England, William King, who had made various experiments in equitable exchange in the late 1820s and early 1830s, was about the only person who refused to admit defeat and he made further attempts at exchange. He appears to have involved himself in some sort of exchange between 1835-39³ and then in 1839 he started an exchange, variously called, 'The Independent Exchange Bazaar', 'The Commercial' 'The Reciprocal' - and 'The Enrolled Trading Chamber'⁴. In 1844 he started another called 'The London Bank of Industry'⁵. He was, however, a lone voice in Britain. In America, Josiah Warren continued with his experimental labour exchanges continuing on from his Cincinnati 'Time Store' of 1827. He embarked on another at Equity, Tuscarawas

3. W. N. (W. King), Equitable Banks of Interchange by W. N.: A Letter to T. S. Duncombe Esq. M.P. (1847), p.10.

4. The Working Bee, 14.12.1839, gives an indication that King had been active in the years 1835-39 with equitable exchanges but no details survive on this. The 'Commercial Trading Chamber' of 1839-40 was situated at 79, Great Tichfield St, off Oxford Street. (See appendix 1).

5. This exchange was at 8, Margaret Street, off Oxford Street. It seems to have closed c. 1846 and was demolished between 1847-49 to make way for a church. (See appendix 1).

County in Ohio in about 1833; then he opened another at the much altered New Harmony in 1842. This was followed by an 'equity village' and exchange store at Evansville in 1847, another at Utopia village in Ohio in 1847 and yet another at 'Modern Times' equity village on Long Island from 1851 to at least 1863 ⁶.

In France there was a some experimentation at the time of the revolution of 1848, associated with Pierre-Joseph Proudhon and Fulcrand Mazel but it was European Marxism that caused a real revival in equitable exchange with the emigration to America of European, especially German, Marxists in the second half of the nineteenth century. This indirectly brought about the Topolobampo Bay Colony in Mexican California in 1884, the Kaweah Co-operative Commonwealth in California in 1885 and Altruria Colony at Fountain Grove, Sonoma County, California in 1894. First we must look at the theoretical basis of these later schemes. Were their originators drawing upon Owen's writings or upon other writers?

Owen, it seems, had nothing further to add to what he had written earlier on the theory and appears to have had no interest in any further applications of it. The subject was still of interest to William King as we shall see but only

6. The main secondary sources on these American 'equity villages' and communities are: W. A. Hinds, The American Utopian Adventure (1878), reprint Philadelphia, 1975); W. A. Hinds, American Communities and Co-operative Colonies (Chicago, 1908), reprint N.York, 1961); G. B. Lockwood, The New Harmony Movement (N.York, 1905); J. W. Bailie, Josiah Warren (Boston, 1906); A. E. Bestor, Backwoods Utopias (Philadelphia, 1950); Robert V. Hine, Californian Utopian Colonies (N. York, 1953); R. S. Fogarty, Dictionary of American Communal and Utopian History (London, 1980).

really on the practical level. The theory received some coverage by John Francis Bray in 1839 in his, Labour's Wrongs and Labour's Remedy, in John Grays's, The Currency Question (1847) in John Thimbelby's, What is Money (1849) and A Lecture on the Currency (1850). These writings tended to view equitable exchange as an appendage to currency reform and their plans consisted chiefly of new types of banks, a new currency and, taking a relatively less important place, some sort of associated national wholesale and retail network.

In Europe, writers in France took up the subject. These were Karl Marx, Pierre-Joseph Proudhon and D. Carl Rodbertus-Jagetzow. The place of these writers in the history of the labour theory of value was traced by Anton Menger in The Right to the Whole Produce of Labour (1899). He showed that Marx had drawn heavily upon the English classical economists and upon the Ricardian socialists. Menger concluded that Marx was 'completely under the influence of the earlier English Socialists, especially Thompson' ⁷. Not surprisingly, R. K. Pankhurst, Thompson's biographer, also takes this view, although the Webbs and G. D. H. Cole thought Marx drew more from Hodgskin than Thompson ⁸. The contribution of the Ricardian socialists in Marx's development of the labour theory of value was well

7. A. Menger, The Right to the Whole Produce of Labour, trans. M. E. Tanner (London, 1899), p.101.

8. R. K. Pankhurst, William Thompson (London, 1954), pp.100-01; S. & B. Webb, History of Trade Unionism (London, 1920 edn.), pp.162-3; G.D.H.Cole, Introduction to Thomas Hodgskin's, Labour Defended (London, 1922 edn.), pp.15-6.

summarised by H. J. Laski, who wrote that:

Thompson and the Ricardian socialists laid the foundations which Marx and Engels brought so remarkably to completion. ⁹

Engels had met Owen and was well acquainted with many English co-operators. He admitted, at least on one occasion, that they owed something to Owen. He said:

We German Socialists are proud of the fact that we are derivedfrom Saint-Simon, Fourier and Owen.. ¹⁰

As regards Marx, although there is a clear link between Marx and some British socialist writers, he seems to have been unfamiliar with Owen's work at first, and later, dismissive of it. Marx was so unfamiliar with the equitable exchange period of British co-operative history that in 1847 he credited John Francis Bray with the introduction of labour exchanges to Britain ¹¹. We know that by 1863 Marx was a little more knowledgeable. He dismissively described them as follows:

The Owenite 'labour money' is just as little 'money' as a ticket for the theatre is money. ¹²

At the same time he expressed his disapproval of Owen's labour exchanges for their individualistic nature:

Owen presupposes directly associated labour, a method of production diametrically opposed to community production. ¹³

9. H. J. Laski, Introduction to F. Engels & K. Marx. The Communist Manifesto (1948 edn.), p.58.

10. F. Engels, Socialism. Utopian and Scientific (N.York, 1935), p.6, quoted in Karl Marx and the Evolution of his Thought by R. Garaudy, (London, 1967), p.33.

11. A. Menger, op.cit., p.lxxi. This was in Marx's Misere de la Philosophie (1847).

12. K.Marx, Capital, trans.Eden & Cedar Paul, p.70, quoted in J.R.Andrus, The Economics of the Utopian Socialists 1800-1850, (PhD.1935,Univ. of California). 13. ibid., p.70.

Perhaps Marx would have approved of the application of the labour theory of value at Ralahine with its more communistic approach but he probably knew nothing at all of this obscure little community.

Marx's development of the theory, although largely ignoring Owen's contribution to the subject, needs to be looked at because his writings were directly responsible for the revival of interest in equitable exchange later in the century.

It has been shown that Marx took the labour theory of value from the Ricardian socialists. Instead, however, of taking their stance, which was to justify the labourer receiving his full value - on moral grounds, Marx came up with what he considered to be a scientific proof. Part of this proof involved a denial of what Owen and Thompson had presumed - that every man-labour-hour was equally valuable. Marx agreed with them that labour was what gave a product value but he qualified this by stating that the time spent manufacturing an item simply created a value relative to other items. He criticised 'English writers' in particular for completely confusing 'measure of value' and 'standard of price' ¹⁴. As we saw in Chapter One, Owen was a good example of some-one who thought he could write on economics but who did not really understand the basic problems such as the different meanings of the word 'value'. Marx sifted through all the confusion of the earlier writers and concluded that, in the creation of absolute value - that is, the price in

14. K.Marx, Das Kapital, vol.1, (3rd edn., 1873), p.70, n.1.

the market place - what determined it was:

the quantity of labour necessary for its production in a given state of society, under certain social average conditions of production, with a given social average intensity, and average skill. ¹⁵

Z. A. Jordan explains more clearly what Marx meant:

Marx defined value as the quantity of labour socially necessary for the production of a commodity in a given state of society, that is, the average time required for its production as determined by the productive powers of labour, (the) state of technology, the social organisation or the efficiency of labour. ¹⁶

To illustrate what he meant by 'socially necessary labour' Marx gave as an example the English handloom weavers who had been forced to work twice as long after the introduction of the power loom in order to match the quantity of cloth made by the machines. He concluded that the handloom weavers' labour had become less socially necessary and could therefore command only half the price that it had before. The idea of 'socially necessary labour' was something that had never been taken into account by Owen or the organisers of the independent British exchanges in the 1830s. It is possible to see, in the over-supply of luxury goods and other useless items at these exchanges, an illustration of what Marx identified as labour that was not socially necessary. Some items presented at the exchanges were old-fashioned and / or trivial and therefore were not

15. K. Marx, Value, Price and Profit, in K. Marx & F. Engels, Selected Works in Two Volumes, (Moscow, 1951), vol.1, pp.378-82.

16. Ed. Z. A. Jordan, Karl Marx: Economy, Class and Social Revolution (London, 1971), p.42.

socially necessary, especially so in the microcosm of society that the exchanges served, which required only basic, everyday goods.

Marx also recognised the importance of calculating the labour value of the raw materials, machinery, buildings and other components that made up the price of an article. There had been some awareness of this from the time of Owen's Report. In it Owen had suggested that calculating these parts of the value would be as simple as calculating 'prime cost' but the valuers at the 'National' exchange found this too complex and simply valued goods by totalling the cost of the raw materials in the article, converting this to labour hours at sixpence per hour and then adding the labour-time expended to achieve the total valuation. The complexities of calculating such constituents as the depreciation, in labour time, of the value of the tools each time they were used, in order to value the tools component of a commodity's value, was beyond their capabilities. Marx pointed out, though, that this **had** to be done if one was going to value goods according to the labour time in them.

It has been claimed that Marx's version of the labour theory of value, not only is a failure but was acknowledged to have been inadequate by Marx himself. Z. A. Jordan says that Eugen von Böhm-Bawerk laid bare a serious logical flaw in Marx's labour theory of value. Jordan continues:

As a matter of fact, Marx abandoned the view that prices tend to correspond to the values of commodities and recognised by implication that the labour theory of value fails to provide a theory of prices. 17

17. *ibid.*, p.44.

Whether there are, or are not, flaws in the theory as developed by Marx, they did not prevent Marx's ideas being very influential upon contemporary thought and being exported to America as we shall see.

Marx's contemporary, Pierre-Joseph Proudhon, was also a student of the labour theory of value. He stated that, 'The worth of goods is measured by the time and labour put into their production' ¹⁸. Proudhon developed a scheme in 1848 that has suprising parallels with Owen's equitable exchanges, though there are no tangible links between Owen and Proudhon. Proudhon had perhaps been in contact with the enigmatic Fulcrand Mazel whom we know opened exchanges in Paris in 1829 and in Marseilles in 1832. As regards links with British writers and experimenters, all that can be ascertained is that Proudhon certainly used the phraseology of the English, calling his planned establishments 'Banks of Exchange' (Banque d'Échange) and stating their aims as 'reciprocity (and) equity in exchange' ¹⁹. Also, Courcelle-Seneuil, the writer on French banking history, implied that the French revival of interest in equitable exchange and John Gray's publication of Lectures on the Nature and Use of Money in 1848 might be interconnected ²⁰. Proudhon's plan had some similarities with Owen's. It put the individual first; to improve his lot as best he could.

18. P.- J. Proudhon, What is Property? (1840), trans. B. Tucker, (London, 1898).

19. P.- J. Proudhon, Organisation du credit (1848), quoted by G. Woodcock in Pierre Joseph Proudhon (London, 1956), p.122.

20. J. G. Courcelle-Seneuil, Traité des Opérations de Banque, (Paris, 1905 edn.), p.479.

Workers would receive vouchers (Bons de Circulation) on the basis of each person's production. Federated groups, consisting of individual workers with the necessary diverse skills, would collaborate to their mutual advantage. At the heart of the plan there were to be national banks dealing with the new currency and giving gratuitous credit ²¹. Although the free credit idea is unique to Proudhon, his scheme has parallels with Gray's plan for 'National Banks' connected to a national warehouse scheme. Proudhon's notes were not in 'Time' denominations just as Gray's were not. Despite this, they were still based on the same concept as the labour note, in that they were 'an order on the members of the bank association ...to deliver to the holder goods and services' to a specified amount ²². Marx drew nothing from Proudhon. In fact he totally dismissed Proudhon's, and Bray's ideas too, in his Misère de la Philosophie of 1847 ²³.

According to Menger the other chief thinker on labour value was a German, D.Carl Rodbertus-Jagetzow. He claimed to have originally written on the subject in 1842, after which he learnt about Owen's exchanges. Unfortunately Rodbertus' source of information on Owen's exchanges was full of errors and as a result Rodbertus' chief writing on the the subject,

21. Ed. E. Hyams, Pierre-Joseph Proudhon (1979), p.122.

22. A. Menger, op.cit., p.79.

23. G. Lichtheim, op. cit., p.93 and A. Menger, op.cit., pp.78-9.

"Über den Normalarbeitstag (1871), criticises Owen's efforts unfairly ²⁴. According to Menger, Rodbertus proposed the creation of institutions very similar to the English equitable labour exchanges. He advocated a labour-time currency and exchanges but it was harnessed to a rigorous state-controlled system of supply and demand, wages and prices. This plan is novel in its stipulation of rigid controls after reading of the problems encountered by Owen's exchanges.

Meanwhile in America the link with Owen continued with the work of Josiah Warren, who, as mentioned, had been at New Harmony with Robert Owen. Josiah Warren's experiments with equitable exchange were very individualistic. This was not particularly in line with the plan in the Report but his ideas resemble closely the way in which equitable exchange was promoted by Owen and developed in Britain. Warren, as far as can be ascertained, organised stores at first in ordinary towns and then later in what he termed 'equity villages' which were communities of loosely associated co-operators. 'Natural liberty' was, he claimed, the key to all his schemes ²⁵. He believed that his exchange stores should be there for the people to use as and when they wished. He had very informal arrangements, unlike Owen's exchanges with their long lists of rules and regulations. It

24. D. Carl Rodbertus-Jagetzow, Zur Erkenntnis unserer staatswirtschaftlichen Zustände (1842).

(n.b. According to Menger, p.98, Rodbertus used Reybaud's Etudes sur les Reformateurs ou Socialistes Modernes, vol.1 (1864) as his source on English exchanges. Menger says that Reybaud is very inaccurate with his information on Owen and that this resulted in Rodbertus' criticism of Owen.

25. J. Warren, Equitable Commerce (N. York, 1852), pp.85-6.

seems that Warren still hoped to achieve the natural, self regulating system that had been Owen's original intention but which had eluded its creator. In Warren's scheme the individual worker fixed his price for every transaction but he received no labour notes at this stage. It was only when an exchange was transacted that the depositor received his time-notes. If the goods stayed in the store - perhaps too highly priced - the individual had to make the decision to bring down his price. Marx's socially-necessary time was thereby brought into the pricing of goods in a very simple way, although this of course pre-dates Marx. The time notes that Warren devised were also planned for use on a one-to-one basis. He explained how and why:

The note is issued by each individual, in his individual capacity, because combined interest include the elements of defeat and destroy all responsibility. ²⁶

Of all the labour notes that came to fruition, Warren's are the only ones as well documented as Owen's (see plates 6 and 9 - 12). This is both because Warren published his ideas on labour notes and equity villages and also because J.W. Bailie undertook research on Warren as early as the 1890s and found many notes. They were in fact really not much more than I.O.U.s. Each individual had blank notes which were completed as and when needed, with name, number of hours work, type of work and then signed. Warren apparently produced the blank notes on his printing press and then distributed them to those who wished to join the scheme. Bailie claimed to have seen Warren's diary which described

26. *ibid.*, p.117.

how the system worked in one place:

The owner of the mill issued his labour notes payable in lumber. Mr Lyon issued his notes promising his labour in the mill-- the owner of the mill took them of the landowner for lumber and Mr Lyon redeemed them in tending the mill. 27

The memories of one man who was involved with one of Warren's schemes, were recorded by Bailie, and his evidence is that this way of working was quite successful. This gentleman, a Mr Cubberley, reflected that:

The labor notes put us into a reciprocating society. The result was, in two years, twelve families found themselves with homes who never owned homes before. 28

Applying equitable exchange in this very personal way was unique to Warren. He had obviously read the Report but, having no information to work on, he seems to have applied the labour theory of value and the labour notes according to his own particular interpretation. Warren's approach really was not a great deal dissimilar from Owen's. He simply did away with the big stores and also with the idea of payment on deposit.

Quite separate from Warren, however, there developed in America a type of equitable exchange based largely on Marx. As was mentioned earlier in this chapter, a large number of socialists and Marxists left Europe, in particular Germany, to start new lives in America. They formed such groups as the 'Socialists Labor (sic) Party' which was a Marxist group and in 1872 the general council of Marx's International Working Men's Association transferred to New York.

27. J. W. Bailie, op.cit., p.53.

28. ibid., p.55.

A member of the former, Lawrence Gronlund, wrote two books which were hugely influential on the development of American co-operative communities. These were, Co-operative Commonwealth (1884) and Our Destiny (1891). These put forward Marx's interpretation of the labour theory of value with a suggested method of application ²⁹. This book is credited by R. S. Fogarty with the founding of at least one American community, that of Kaweah Co-operative Commonwealth ³⁰. Articles by another member of the same group, Daniel De Leon, on the labour theory of value and other aspects of Marxist philosophy appeared in their journal, The People, from 1893 onwards and were apparently also very influential. At about the same time similar ideas were presented to the American people in the palatable form of fiction - William Dean Howells' Traveller from Altruria (1894) and Edward Bellamy's Looking Backward (1888) were novels; the latter selling a huge 600,000 copies ³¹. Bellamy was a Fabian Socialist whose novel showed a new co-operative commonwealth achieved by transition, as with Owen, rather than revolution and Marxist class struggle.

The actual exchange systems that resulted at places like Kaweah are of particular interest to the student of equitable exchange because they can be compared with Owen's original ideas and exchanges to see whether any of their

29. Ed. Egbert, Persons and Bassett, Socialism and American Life (New Jersey, 1952), vol.2, p.143.

30. R. S. Fogarty, op.cit., pp.148-9 and Ruth R. Lewis, 'Kaweah: An Experiment in Co-operative Colonization', Pacific Historical Review, Nov. 1948, XV11.

31. Ed. Egbert, Persons and Bassett, op.cit., p.186; D. Bell, Marxian Socialism in the United States (1967), p.58; D. Hereshoff, American Disciples of Marx (1967), p.112.

modifications produced any better results and also to see how much they owed to Owen. Unfortunately, although the primary sources survive they are obviously unavailable to the British researcher and secondary sources tend to give only the most cursory comment, such as the fact that labour notes were used in such and such a place. An estimate of their debt will, however, be attempted.

The chief features and debating points of Owen's exchanges had been the labour note currency with its rather uneasy relationship with coin-of-the-realm; the position and use of capital; the valuation of men's labour in relation to each other and in respect of their finished goods; the control of goods supplied and demanded and the relationship between the individual and the exchange or the community. Some assessment of these points in relation to the later American exchanges, can now be attempted, bearing in mind the limiting factors already noted.

At Kaweah, 'labor checks' - as labour notes tended to be called in America - were used for all intra-colonial transactions. They derived their particular system from Gronlund's Co-operative Commonwealth. Their checks were issued in denominations of 10 up to 20,000 minutes ³². At Altruria 'labor checks' were also used but the writer has been able to discover nothing further about them in the secondary sources available ³³.

32. R. V. Hine, op.cit., p.88 & 98. Hine gives as his chief primary source an unpublished manuscript by George Stewart entitled, History of the Kaweah Colony, in Tulare Public Library, Tulare, California.

33. R. V. Hine, pp.190-2. Hine says the chief primary sources on Altruria are in the Bancroft Library, California.

At Topolobampo Bay Colony, founded by a philanthropic railroad engineer, Albert Kimsey Owen (no relation to Robert Owen) in association with a Fourierist, Marie Rowland, the colonists were 'paid in labour notes, which ... (were) valid at the company's store and the common restaurant' ³⁴.

In Britain, there was only one figure of any significance to emerge from the ashes of Owen's exchanges. People had become totally disillusioned with equitable exchange, but William King began in the 1840s to use a distinctive currency in his later London exchanges. It was no longer based on labour time. (see plate 7). He called these, 'order notes', 'property notes' and 'property money' because they were, he said, 'representing the exchangeable property of the country' ³⁵. He intended them to be in three different colours to represent the three classes of goods he had devised. How these differed from ordinary coin-of-the-realm is not clear because the one surviving note is in shillings, which would seem to indicate that these notes were no

34. Sources on Topolobampo Bay Colony that are available in Britain are:- Primary: The Credit Foncier of Sinaloa (journal of the colony), Something about Co-operation as it is practised at Topolobampo, Sinaloa, Mexico (n.d.), Yorkshire Post, 18.9.1896, p.4. Secondary sources are: A. Menger, op.cit., p.lxxi; W. A. Hinds, op.cit., p.458. The latter refers to an article by a Rev. A. Kent, 'Co-operative Communities in the United States', U. S. Government, Bulletin of Labor, no.35, (1901).

35. W. King, To the Depositors, (1846).

(n.b. There was some small-scale use of a labour currency at the co-operative colony, Manea Fenn (1838-41). When they needed to hire labourers to help establish the colony they took them on on the understanding that such people would be paid only in labour notes which could be used for goods at the community store. The organisers had to do this since they were short of cash, see The Working Bee.)

different from cash. In Paris in 1849, Mazel used notes which he called 'Bons de Circulation' and which also no longer had an obvious time basis (see plate 8).

Another development on the labour note front was the introduction of an alternate value on the notes. Experimenters no doubt were becoming aware of the problems associated with the acceptability of labour notes and were trying to improve matters. Another example of this trend was Warren offering a dollar alternative, as early as 1842 at New Harmony. A surviving example of this note reads: 'One hour in Merchandising or thirty cents' (see plate 6). This was also done at Kaweah ³⁶. The colonists at Kaweah thought that the vast quantity of timber on their land could be used to back up their dollar alternative ³⁷. Although the intention in offering coin-of-the-realm as an alternative was to help the notes become more generally acceptable, we saw that in the case of Owen's exchanges this did not work. For there it proved impossible to use two currencies side by side without one coming out the stronger and the other becoming devalued. The stronger currency tended to be the one that was already well established and accepted everywhere, that is, the coin-of-the-realm. Perhaps the fact that Warren abandoned the dollar conversion on his later labour notes is an indication that this also did not work. Certainly this type of note did not prevent the revolt against the 'time check system', as it was called, that

36. R. V. Hine, op.cit. p.88.

37. ibid., p.98.

helped to bring down Kaweah.

Warren looked for another alternative and believed he had found it in :

Some staple of article of the particular locality such as corn or wheat, selected as a unit by which to compare and measure all other labours. ^{38.}

(see plates 11,12,13,14)

Adam Smith had suggested a valuation system based on corn at one point in his Wealth of Nations ^{39.} Warren considered that in America, where cereals were never in short supply, were virtually imperishable and always acceptable, they would be an excellent medium of exchange to run parallel with labour time ^{40.} In Britain, Bronterre O'Brien, out-of-the-blue, carried this one step further and suggested a labour exchange system based wholly upon cereals ^{41.}

Although Warren's equity villages did not totally isolate themselves, Warren was aware of the problems of using the outside world, especially for the notes, and he therefore strongly advised his colleagues to have as little as possible to do with the outside world and its currency,

38. J. Warren, True Civilisation (Boston, 1863), Para. 233.

39. J. R. Knipe, Owenite Ideas and Institutions, 1828-43, (M.A. thesis, Univ. of Wisconsin, 1967), p.79.

40. J. Warren, Equitable Commerce (N.York., 1852), p.107 and p.117.

41. Bronterre O'Brien, writing in The National Reformer, 3.10.1846, (1), (76), p.2.

as he explained:

"Not transferable"(is a) condition...made a prominent feature in the labour note for various reasons: first, we do not propose, as a general practice, to deal on these principles with those who do not understand or appreciate them. Second, in the incipient, progressive stage there will be those who will gladly get hold of the notes for no other purpose than to make trouble. ⁴²

Apparently independantly in England King was learning the same caution with his currency. He exhorted his fellow exchangers in 1839 as follows:

Don't use the outside system, don't circulate notes elsewhere or use half cash, a practice much encouraged in 1832. ⁴³

Other monetary worries of exchangers were the position and use of capital within their schemes. As we saw, prior to the establishment of Owen's 'National' exchange, there was some debate as to whether capitalists should be approached for capital to launch the exchanges. It seems that this dilemma was not resolved by later organisers. King, who in the early days had established independent exchanges without recourse to capital, had changed his mind by the 1840s. By then he had come round to Owen's idea of large scale establishments because he could see no possibility of building a nation-wide network from the small beginnings such as he had involved himself in in the 1820s and 30s.

42. *ibid.*, p.116.

43. The Working Bee, Letter to the editor from W. King, dated 14.12.1839.

By 1839 King had decided only that sufficient capital to guarantee the rent of the exchange should always be certain before an exchange opened ⁴⁴. By 1846, however, he was completely converted to the advantages of starting off with a large scale operation and he accordingly planned his Joint Stock Banks of Industry in that year with a capital of £30,000 in 6,000 shares of £5 each ⁴⁵. His plans had become much closer to Owen's of 1832. He said at this time:

For these establishments to be extensively useful they must be gone into largely. ⁴⁶

Since these Joint Stock Banks did not materialise it seems likely that he met with the same difficulties as Owen had done in raising capital. People with capital were, as we have already seen, not interested in these urban socialist ventures. On the other hand, the exchange schemes in America were generally of an idealistic nature to join which, people were prepared to put in their whole life's savings. Although in an urban situation this would have provided considerable capital for an exchange, much larger sums of money were required for communities simply to buy the land ⁴⁷.

Although, therefore, the initial capital was usually raised, very little was probably left over to spend on goods, which needed to be bought in in cash for the community store.

Warren's equity villages however, were different again, being so informal that there was no joining fee, except presumably one had to be able to buy the piece of land on

44. *ibid.*, 14.12.1839.

45. W. King, Proposition for a Bank of Interchange (n.d.).

46. W. King, To the Depositors of the Bank of Industry, (1846).

47. H.V. Hine, *op.cit.*, p.93 & R.S.Fogarty, *op.cit.*, p.127.

which one intended to build. The problem of shortage of capital presented itself again. Warren's co-operators at Modern Times found that they were unable to make progress in the manufacturing field because they did not have the necessary dollars for the machinery for a factory ⁴⁸. These exchangers found, as had their predecessors, that one could not both eschew the outside world when it came to currency matters and at the same time maintain a reserve of cash for purchasing outside goods. The only way to work successfully with the labour notes was to totally isolate themselves from the outside world and from other currencies.

As regards labour-time valuations, we have seen that Owen had unwillingly had to value different types of work differently in order to entice the skilled workers to use the exchanges. Along with Thompson, he had believed this to be unnecessary and wrong but found it impossible in the urban exchange situation to do differently. The experiences of later exchanges would have shown Owen, however, that even in a co-operative community situation it was necessary to acknowledge the values of different types of work and the varying desirability of people to do different tasks. As early as in 1827 Warren identified 'the element of repugnance' in determining the value of labour ⁴⁹. Thereafter he always took this into account.

48. J. W. Bailie, op.cit., p.77-78.

49. J. Warren, True Civilisation, (Boston, 1863), Para.231.

For example, a Warren labour note of 1871 reads:

The most disagreeable labour is entitled
to the highest compensation. (plate 11)

In England, King relied upon each man giving an initial valuation of his own manufactures and, as at Owen's exchanges, he hoped that a committee for verifying values would pick out anything overvalued. Owen's valuing committees had found it impossible to function due to inexperience and bias, but King thought that he had come up with a system that would be effective against wrongful valuation. He had obviously learned from the problems that both his and Owen's early exchanges had faced when it came to unwanted goods. As a result he went back to Owen's original idea that goods could be generally classed into three groups. The first class goods - food and raw materials - were to receive first class terms and treatment. Notes in respect of these were to be issued immediately upon their receipt in the exchange. Second class goods were permitted note issue on one half of their value until such time as the consignment was all purchased. The third class goods could not have any notes issued against them until they had all gone⁵⁰. Unfortunately, King's plan would have experienced much the same sort of problems that beset Owen's valuation committee because the committee still had to make decisions about whose goods ranked in which class. No-one would have wanted either their or their friends' goods to rank in the bottom category. It is interesting that Warren never had any

50. W. K. (ing), Money Dialogue (1845) and (W.King), Bank of Industry (n.d.), p.4.

of the problems of unwanted goods. According to his system you did not receive your time-note until someone wished to buy the goods. If it was valued too highly, one simply had to reduce the price and wait to see if the valuation appealed to anyone. Unfortunately, the sources available do not make it clear how exactly Warren made this work in a community store situation.

There were further attempts at implementing Owen's and Thompson's idea that all labour should be valued equally. Bellamy brought this idea before the American public in his Looking Backward and it influenced the founders of Kaweah⁵¹. As had been suspected by Owen this was an admirable idea but impossible to put into practice. It may be that this was a contributory factor in the revolt amongst the Kaweah colonists against the labour currency, which led to that community's downfall.

How these later experiments dealt with the problem of equating supply and demand, which had been the chief headache of the Owenite exchanges, is generally not recorded by the secondary sources available on the American experiments. King's experiments in England are fortunately well recorded thanks to his many publications. As we have seen, his three-tier system of notes was linked to three different types of goods and this was to be his solution to the problem of supply and demand. The items that Owen had found it difficult to come by were the ones that King decided to give the biggest incentive to - food stuffs and

51. H. V. Hine, op.cit., p.88 and D. Herreshoff, op.cit., p.76.

raw materials. Manufactured goods of general usefulness to working class people received the next best conditions of exchange, and the items considered less likely to be in demand were positively discouraged by the new terms offered to the depositors of such goods. As has already been noted, such a system could only be very rough and ready. They must have come across many goods that defied an easy allocation into one group or another.

One of the options that was considered by the later urban exchangers such as King was not to deal in food stuffs at all. King recognised that these items had been the cause of chronic fund draining in the early exchanges of Owen and himself. His leaflets of the late 1830s were very strongly against urban exchanges involving themselves in the exchange of food stuffs. The problem of this approach was, as was indicated in Chapter Two, that this was the type of product most in demand by exchangers, and if the exchange organisers were not able to offer the type of goods that the people needed they were never going to attract users. Here we have a vicious circle again.

Community exchanges, being agriculturally based, did not have anything like the same problems that were faced by the urban exchanges in respect of goods. The basic necessities of food and clothing were probably those in greatest supply. Since the exchanges in America were all of a communitarian nature it would be interesting to see whether they fared as well either as Ralahine or as Owen envisaged in the Report. They probably did, and as long as they were able to keep to an absolute minimum the quantity of specialist goods needing

to be 'imported' into the colony they could survive fairly well. Ultimately, however, unless other colonies joined forces to produce a national network to supply each other with these outside goods the long-term prospect was no more promising than that of the urban exchanges.

Finally, it should be noted that the later experiments varied considerably in their attitude towards the individual and his relationship with the exchange. Owen himself had maintained a rather ambiguous position on this most important question. He never made it clear whether the exchange-user was working for himself or for his fellows; who should come first - the individual or the co-operative community. Owen seemed to assume that both would progress to wealth and happiness together. His exchanges, therefore, tried to achieve a tricky balance. The later exchanges seem not to have come down particularly on one side or the other of this question. No one way of working gained the upper-hand. Obviously Warren's exchanges represent the one end of the spectrum with an approach that went further than Owen's in individualism. His scheme did not necessarily require a store and had virtually no regulations. Bailie summed up Warren's totally individualistic approach as one in which, 'the principles of equity were the only law among citizens of Warren's villages' ⁵². Warren explained the reason for this was:

because combined interests include the
elements of defeat and destroy all
responsibility. 53

52. J. W. Bailie, op.cit., p.304.

53. J. Warren, Equitable Commerce, p.117.

Some communities, such as Altruria, opted to combine private and communal interests much as Owen had done at New Harmony. Some, like Kaweah, were based on the less personal, communistic approach of Marx and his populariser, Gronlund. Even here though the communitarians retained the right not to work if they so wished, but the community did not sustain them if they took this approach ⁵⁴. At Topolobampo Bay Colony, on the other hand, although there is no evidence of Marxist influence a sort of state control was in evidence. A Board of Directors controlled all production, distribution and exchange. Newcomers were 'set to work by the Employment Department at what ever task is thought most needful....' ⁵⁵. This is interestingly reminiscent of Owen's tendency towards autocracy displayed particularly in his early community plans such as in the Report. It appears generally to have been the case that equitable exchange always involved an element of individualism.

The lack of complete evidence, especially when it comes to the experiments in America, make it hard to assess the successes and failures of these later experiments. There were so many different approaches and interpretations, often far removed from the original, that no one pattern emerges.

As regards the introduction of improvements to the practical application of equitable exchange, the most significant seem to be to the currency. Firstly, King's attempt to identify and deal with the supply and demand problem with his three different grades of goods and notes

54. H. V. Hine, op.cit., p.88.

55. The Yorkshire Post, 18.9.1896, p.4.

and, secondly, Warren's system of not putting notes into circulation until a buyer wished to purchase the goods.

The shortage of coin-of-the-realm was a problem that was never solved and could not be, outside of completely isolating the community from the goods and services of the outside world. King and Warren, as has been seen, came to realise the dangers of trying to work both systems simultaneously. They exhorted their fellow co-operators to cut themselves off from the goods and services of the competitive world but in a system that was essentially individualistic they could never hope to bring about complete isolationism. Only a totalitarian state could achieve this.

It has become evident in this chapter that links between Robert Owen and the later exchanges vary from weak to extremely tenuous. Examining the later American experiments one must agree that the idea - having passed from Owen, through the Ricardian socialists, to Marx, then across the Atlantic to people like Gronlund - had become very distant from its originator. Having said this, the fact remains that they were putting into practice Owen's 'equitable principle of exchange'.

Looking on, to the later Co-operative Movement it is easy to see that this also owed very little to equitable exchange. It is evident, however, from the growth of this movement that the simple retailing that Owen so looked down upon with its apparently limited ideals was ultimately able to achieve so much more: not least, the gradual acquisition of huge quantities of agricultural land in Britain which

were what Owen's equitable exchanges had needed so desperately for food supplies. The success of the Rochdale pioneers was to a large extent based upon the 'divi' which was something that might have brought about some success in the English exchanges had it been taken up earlier. One or two co-operative societies had employed a 'drawback' in the late 1820s, as was noted in Chapter Two, but no application was made of it in the field of equitable exchange. By the time the Rochdale Pioneers were having success in the 1850s all interest in equitable exchange was long dead in Britain and reports of the new success did not get across the Atlantic for many years ⁵⁶. Their success was therefore too late to be of help to equitable exchange.

In America the experiments fizzled out about the turn of the century. It has been claimed that the success of Warren's equity villages also held the seeds of their demise for, once people had benefitted from the equitable exchange system, they tended to sell up and move off West to purchase larger farms ⁵⁷. Of the others, many seemed to have suffered from the vicissitudes that faced agricultural communities: irrigation problems, unhealthy terrain, National Parks Acts and even the American Civil War ⁵⁸. The last two experiments

56 Something about Co-operation.. op.cit., p.1.

(n.b. This leaflet interestingly indicates that the American communities were aware of what was happening to the co-operative movement back in Britain. It says of the Topolobampo colony's retail system: 'In distribution, the Rochdale or English co-operative stores are imitated. All purchases are made by the colony and members are supplied by their own central store and branches').

57. G. B. Lockwood, op.cit., p.302.

58. J. W. Bailie, op.cit., pp.77-8 & R. S. Fogarty, op.cit., p.169.

were, as far as can be ascertained, Freedom Colony - a branch of the otherwise almost unknown 'General Labor Exchange Organisation' (1897-1905) which used a currency with units called simply 'one half' and 'one quarter' - and 'The Co-operative Brotherhood' community at Kitsap County, near Seattle, formed by a group called the Social Democracy of America (1898-1906) ⁵⁹. After this point the American enthusiasm for equitable exchange seems to have also finally exhausted itself.

59. R. S. Fogarty, *op.cit.*, p.221., and p.136.

CONCLUSIONS

Although Robert Owen has traditionally been portrayed as the deviser and organiser of the 'Equitable Labour Exchange' phase of co-operative history, and he himself claimed:

I have already given the world the Infant
Schools, Equitable Exchange Banks, the
Natural Standard of Value...¹

this study has shown that his direct involvement was rather different in degree.

Robert Owen was an interesting and admirable man, whose life has been the subject of numerous biographies. It is not surprising, therefore, to find that these biographies have become the standard sources for the history of equitable exchange and have at the same time tended to over-emphasise Owen's participation in it. It is hoped that this study has shown exactly how much of both the theory and the practical application of equitable exchange can justly be credited to Robert Owen.

In what ways should the traditional picture of equitable exchange be modified in the light of the research undertaken for this thesis?

Firstly, it is clear that the idea of equitable exchange,

1. Crisis, 1, (22), 4.8.1832, p.87.

although first publicly expounded by Owen, was not totally original. There is no doubt that the text which gave rise to the whole subject of equitable exchange was The Report to the County of Lanark. It has been shown that this work was not original in its restatement of the views of early socialists, such as Hall and Spence, for they had already propounded the notion of 'poverty in the midst of plenty', that the working people created most of the country's wealth and that in justice they should receive the full value of what they put into the economy. Similarly, his statements in the Report concerning the labour theory of value, were hardly novel. They had been implied by Hall and Spence and also studied in detail by Smith and Ricardo. Although Owen added nothing to the theoretical analysis of the theory, the Report did contribute something original to the contemporary co-operative movement. This seems to consist of three ideas.

The first was that he gave them the impression in the Report that he supported the idea that the labourer should receive the full value of his labour. Whether Owen was, in fact, suggesting this revolutionary idea - that wage labourers ought to receive the full value that their particular labours had added to a manufactured item - is still unclear. His words are ambiguous and his stance over the years is inconsistent. It seems unlikely that he was being revolutionary, when one takes account of Owen's attitudes, although beneficent to the working classes, were also fairly conservative. His actual stance, as with the case of Ricardo and his so-called followers the Ricardian socialists, is not as important as contemporaries thought.

In Owen's case, the co-operative movement interpreted Owen as taking this revolutionary stance. He became their hero figure, they looked up to him, they read his works and discussed his words.

The second area in which Owen apparently displayed originality was in the currency field. He expressed concern about how the labourer should receive his due, and this, combined with the nation's currency problems, led him to propose a labour currency. We have seen that he had probably drawn upon the contemporary debate on currency reform and used this as the springboard for his new currency but the actual labour currency idea was totally his own. He somehow drew together the need for a revised national currency and the desire to pay people according to their labours, and produced the labour note.

The third original feature of the Report was the way he amalgamated all these ideas into the general concept which he termed the 'equitable principle of exchange'. This was a concept that came to be much used by co-operators in the 1820s and early 1830s to describe an ideal system of exchange which combined all the elements of the Report; a bringing directly together of working men to exchange their labours, a labour currency to be used to achieve this and exchange transactions that achieved for the workers 100 per cent value. In addition 'equitable exchange' came as part of a package to rid the country of all its problems by providing good wages, full employment and continuous demand for and supply of goods. This would be done by means of communities of people working co-operatively, each receiving the full

value of his labour and each being paid according to his labours by means of the new labour currency. As it worked out, the plan for equitable exchange ultimately did not bear a great deal of resemblance to the equitable exchanges that finally appeared but it is nevertheless important to confirm that the notion of 'equitable exchange' made its first appearance in the Report.

Secondly, it is plain that Owen did not return from America full of enthusiasm for equitable exchange. Having expounded this novel solution to the nation's problems Owen neither expanded upon it nor spoke on the subject for several years. It should be remembered, however, that Owen had probably planned 'equitable exchange' simply as a small component part of the whole Utopian way of life in a self-supporting co-operative community that needed no further explanation or expansion. In addition, since he regarded it as something that would occur naturally and simply within his communities, one can understand that he probably felt there was no need to get involved in further details.

The fact that the idea of equitable exchange did not disappear without trace when Owen left Britain for America is thanks largely to the Ricardian socialists, who discussed at length ways by which the working classes could bring about a situation where they would receive the full value of their labours. Their publications and the discussion in the journals of a rapidly growing co-operative movement undoubtedly focussed co-operators' attention on the subject. It has to be admitted that they contributed little that was

new. They took up the idea of the labour theory of value and looked at ways of applying it, Thompson following Owen's community plan, Gray looking at currency aspects in particular, and Hodgskin coming closest to eventual exchange by advocating something of a free-for-all. Their importance is not so much what they contributed to the theory but rather the fact that they kept the subject simmering in Owen's absence in the 1820s. It is as a result of this role in publicising equitable exchange, that **they** rather than Owen have come down in other countries' socialist literature as being the most important proponents of labour value and equitable exchange of this period.

Despite both the appearance of exchanges under Owen's leadership in 1832 and 1833 and his several well-publicised and enthusiastic speeches about them, we might conclude that they were probably not what Owen had truly wanted. He perhaps foresaw the inevitable compromises with the competitive world that would result. His heart was always in schemes that were entirely new and without compromises. Equitable exchanges were after all only trading establishments working within a system which he wanted nothing to do with in the first place. It has been shown, however, that the pressures on him to become involved in equitable exchange were great. The co-operative movement looked to him as their leader and in his absence it had largely been won over to the idea of trading by both Dr King of Brighton and by economic pressures. In addition, individuals within the co-operative movement put pressure on Owen through both their words and actions. The most

important was William King, the umbrella-maker, who devoted as much of his time, money and intellect to study the subject as he could, to create an interest in the subject in the co-operative movement. He, it seems, was largely responsible for continuing the interest created by the Ricardian socialists. Other important co-operative figures, such as Benjamin Warden, William Watkins and James Tucker added the weight of their names and the London societies they represented to the discussion of equitable exchange. They also pointed out to Owen the distress of their fellow members and would not be put off by Owen's tardiness. Perhaps more important was the fact that they also decided to go ahead with attempts at practical applications themselves. It seems that these - in particular, King's Gothic Hall and Watkins's 1st Western Union - forced Owen's hand. For he was in the invidious position of being regarded as the inventor of equitable exchange - his name was thus being linked with the experimental exchanges that started to spring up - and yet he had no control over them. Nowhere did Owen ever admit that he opened his exchanges to regain control of an idea that had got out of hand, but this seems to be the inevitable conclusion of this study.

It has been shown that the emergence of proper equitable exchanges took about four or five years. It did not appear suddenly as a result of Owen's return from America, as Podmore, Cole and others suggest ². It was a process of development through experimentation, especially since Owen's

2. F. Podmore, Robert Owen: A Biography, (London, 1906), chap. XVII; G.D.H. Cole, Robert Owen (London, 1925), chap. XV.

plan in the Report had been so vague, and it was a process in which Owen took no part at all. It has become clear to the writer that the primemover was William King. He was ahead of the others in his experiments; starting in 1827 with the Union Exchange Society, continuing a discussion of equitable exchange in the radical press and publicising the subject with leaflets, of which many still survive. The second most significant promoter of equitable exchange was the British Association for the Promotion of Co-operative Knowledge. They never actually got a labour currency off the ground but they discussed it and actively involved themselves in experiments with retailing, manufacturing and wholesaling in pursuit of a general application of equitable exchange. This Association was perhaps the most active and significant group within the co-operative movement and their interest in the subject must in turn have created interest throughout the whole country amongst co-operators. It was these different strands that actually brought about equitable exchanges.

From the point of view of practicalities the first matter which struck the organisers as important and which was never wholly agreed upon was the question of whether capital should or should not be used to assist in the setting up and running of the exchanges. Owen was no doubt thinking in terms of his grand community plans when he stipulated, both in the Report and in later speeches, the need for a large amount of capital. It seems, however, unlikely that such a sum would have made any difference to the ultimate success of the exchanges because there was an inevitable and chronic

leakage of cash out of the exchange system and into the competitive system, which could only possibly have ceased by working within a self-contained community or if the system had quickly become universally accepted by a converted nation. The independents, who took the opposite point of view from Owen, believing that no capital was needed, fared no better, since their attempts at exchange were on too small a scale to succeed in stocking the range of goods necessary for success.

The third major point to emerge from this study is that, although the running of the exchanges appeared to be simple in theory, in practice it was complicated. This is not to say that it was the 'spectacular muddle' suggested by E. P. Thompson ³. As has been shown, there was no guidance in the Report because Owen, as previously mentioned, had believed that a spontaneous co-operative spirit would guide all the activities such as trading. What developed, therefore, was not according to a set plan and varied according to which exchange it was. Obviously the 'National', Blackfriars and the Birmingham branches, having Owen at the helm, ran almost identically. As regards the officers of the exchange, Owen followed the pattern of his business and philanthropic experience, appointing managers and directors who wielded considerable power. On the other hand, the independent exchanges, influenced by the national interest in reforms of all sorts, were run on democratic lines. In the light of the national interest in democratic

3. E. P. Thompson, The Making of the English Working Class (Penguin, 1968 edn.), p.877.

decision-making, it is not surprising that the 'National' exchange eventually came round to changing to this new and radical way of running establishments.

We have seen that the actual transacting of the business was time-consuming as regards the paper-work, although in theory it had seemed so simple. The valuation of goods has been shown in Chapter Two to have been virtually impossible to achieve satisfactorily. The Report had suggested that labour value could be determined by using 'prime cost', which seems straightforward enough. What Owen had not taken into account, however, were trade and personal interests, which made it impossible for the valuation committees to work with objectivity. Valuation failed to follow the guide-lines of the Report in another way. Owen had proposed that everyone's labour would be valued equally and Thompson had backed this up, but this was never introduced owing to its impracticability in a non-community situation. The community, Ralahine, seems to have been fairly successful in this respect but such a system needed someone to direct the work; to instruct people to do the unpleasant or difficult tasks. William King's Gothic Hall seems to have run on an 'every-one valued the same' basis but this was probably capable of being worked only in a situation where all the exchangers were say, journeymen, with roughly equal skills. It could never have worked on a nation-wide basis. His experiments of 1839 and 1846 attempted to improve the valuation system by valuing goods according to their utility to the exchangers. This, however, did not solve the problem of bias amongst the valuers which must have continued.

As regards the new labour-time currency, this had been envisaged in the Report as the sole currency of a self-contained community. The limited information available on Ralahine indicates that in such a situation it had the potential for success. In the situation, however, where it had to compete with another stronger system, that is, coin-of-the-realm, it had little chance of success. It has been noted that, in order to be successful, above all a currency has to achieve general acceptability; but with the problems of the exchanges, in particular, the inability to stock the whole range of goods required by the exchangers - it proved impossible to maintain any desire to hold the new currency. Josiah Warren in the U. S. A. attempted in the 1840s to improve the acceptability of labour notes by offering as an alternative some staple crop such as corn. Its success is hard to ascertain but it was an idea that he used over at least thirty years. It must, therefore, have been at least moderately successful. Obviously a series of disastrous harvests was capable of putting an end to this alternative medium of exchange and this would also only have limited appeal, being useful only in a rural community situation.

Another later adaptation was introduced by King who tried to bring about a type of sealed currency system by exhorting the exchangers at his later exchanges to use the labour notes only at the exchange and not with outsiders. Although along the right lines, it had little chance of success as long as the exchangers still ultimately retained the freedom to shop where they liked, that is, in an outside market

Probably the biggest problem that faced the exchanges was that of being able to provide the exchangers with the full range of goods that they needed. The ability to do this had been implied in the Report since Owen's plan had been for a self-sufficient community which consisted of communitarians whose skills covered the whole range of trades necessary for life; chiefly agricultural. No organised scheme, however, was devised to achieve this kind of variety of depositor, and with the predomination of certain trades in certain areas, such as metal-working in Birmingham, there were bound to be problems. A national network of exchanges, each dealing with the different regional specialities, might have helped somewhat to achieve the required spread. It has been shown that there was certainly the recognition of the desirability of establishing a national network of exchanges but there seems to have been no realisation of the urgency of this. The system of valuation resulted in a preponderance of deposits on which a large amount of time had been expended but which were totally useless, especially to working men, and a shortage of food stuffs and raw materials. These two types of goods were the two things that were by far the greatest in demand and which were incapable of supply in sufficient quantities.

The simple, natural system clearly was elusive. The workings of Robert Owen's exchanges and probably the others are marked right from the start by modifications to the system, which appear to have become more and more complicated. No-one seems to have thought of going back to the theory to ascertain why the system was not working. They

simply tinkered with it.

Fourthly, it must be emphasised that neither the establishment of Robert Owen's exchanges nor their operation was undertaken by a broad and representative body of working class people. Robert Owen attracted a certain type of individual to help him in his ventures. This was a deliberate policy. The type has been shown to be the middle or upper class individual, depending upon the particular type of venture. In the case of the equitable exchanges they appear to have been both upper and lower middle-class. The writer does not agree with W. H. Oliver's conclusion that it was shop-keepers who organised the 'National'. It is clear that although some may have been shopkeepers they were by no means even a majority ⁴. It seems likely, given Owen's respectability and his way of putting over his plans that neither the London retailers nor the Birmingham retailers for that matter, saw either the 'National' or the Birmingham branch as any sort of threat to their businesses, although they should have done.

It was shown in Chapter Three that both the London and the Birmingham organisers had, like Owen, primarily philanthropic motives. The men involved at the 'National' exchange were probably drawn into equitable exchange without really realising it. For, when Owen started the apparently innocuous 'Association for the Removal of Ignorance and Poverty by Education and Employment', equitable exchange figured very insignificantly on their list of aims and,

4. W.H.Oliver, 'The Labour Exchange Phase of the Co-operative Movement' Oxford Economic Papers, X, 1958, p.357.

after all, it probably only seemed to them to be some sort of bazaar to help the poor.

How the Birmingham men came to to be drawn into equitable exchange is to some extent different from the men of the 'National', although they too had strong philanthropic motives. The preponderance of Birmingham Political Union members amongst them has been pointed out and this was so high as to have been worth looking at further. A political motive has not been found to be the cause though. As was noted in Chapter Three it seems that their involvement was partly due to William Pare who recruited his B. P. U. friends into equitable exchange. William Pare was the prime-mover in co-operative circles in Birmingham and the type of person drawn in to the exchange organisation was the type that thought and acted as he did. This is probably not surprising since it has been shown that people with a radical tendency seem to have started and/or joined a myriad of anti-Establishment groups at this time. Although politics and Owen were known to be mutually incompatible, Pare somehow squared this with his Radical friends. In London, however, this open rivalry between Radical and Owenite was probably the reason why few Radical figures can be identified as having been involved with the 'National'. In Birmingham there was, in addition, the attraction to Radicals of the Owenite exchange's proposed new currency. As was shown, there had been a long-standing interest in currency reform in Birmingham as it had been a continuing side-line of the B. P. U.'s leader, Attwood, and also G. F. Muntz. This interest is evident in the words of some

of the Birmingham organisers but, again, not at London. The apparent political link in Birmingham is therefore deceptive. There is no definite indication that the Birmingham branch organisers joined it as an alternative to politics after the disappointment of the Reform Act. Their motives have in fact been shown to be basically those of philanthropism on the part of business-men, co-operation on the part of men already in the co-operative movement, and currency reform amongst a few others.

By way of contrast the organisers of the independent exchanges were quite different. They appear to have all been working class people resolved to help themselves. They too were probably attracted to equitable exchanges as an anti-Establishment activity but more important to them must have been the need to earn their daily bread. Equitable exchange undoubtedly offered a way out of unemployment, under-employment and even poverty.

The users of all the exchanges were nearly all journeymen who, as has been seen, had pressing reasons for trying out the exchanges. They were able to identify with the ideas put forward by Owen and the Ricardian socialists but were not well enough educated to study the plans critically. Later, when the proposals became reality, their narrow trade outlook and lack of education brought about such problems as lack of co-operative spirit and factionalism along trade lines.

The fifth main conclusion reached by the writer concerns the reason for the failure of the exchanges. Previous authors conclusions seemed merely to be the random

suggestions gleaned from the reminiscences of contemporaries. The conclusion of this study is that the failure of equitable exchange was basically that it was unsound economically. It could never hope to be successful in a free market economy. In a controlled economy where either the supply of goods or the demand for them could be controlled as well as the price, it could succeed. This basically was because what they were doing was price-fixing. The fact that Ralahine did fairly well indicates this; for there the controls were present.

All the other reasons for failure stem from this central fact. The shortage of certain goods, such as food and raw materials, was due to demand exceeding supply and supplies could in no way be boosted. This in turn led to a dropping off in the small amount of primary materials being offered and a resultant decline in exchange usage. This is an illustration of just one of the downward spirals that the exchanges got into. Another was as the result of the problem of the excess of luxury goods being presented for exchange. There was no demand for these so they stayed on the shelves. Despite this, others were still presented and the exchange became full of goods no-one wanted. The problem with valuation stemmed from the effects of the price-fixing system. For, in a situation where the valuers were fixing prices above comparable market prices, demand never matched up to them. One had either to control the supplies of goods coming into the exchanges so that the right goods were on the shelves, or control demand by insisting that people shopped only at the exchange. Neither of these could be

forced upon the exchange users.

Having accepted this central fact, it becomes obvious that the study of the problems encountered in raising sufficient capital for the schemes is largely irrelevant because the drain on the resources of the exchanges was inevitably chronic - a fault of the whole system. No matter how large the cash injection there would never have been enough. The devaluation of the labour currency was similarly inevitable, given the situation of having to compete with coin-of-the-realm. This was an unequal fight. The other chief problem was with the people themselves, although it must be said that they simply exacerbated an already hopeless situation. The exchangers in Britain proved as much a disappointment to Owen as the colonists at New Harmony. Disappointingly it was discovered that people were not ready to share and share alike. Some professed co-operators were still trying to make a quick profit or even a dishonest one. Brotherliness was not to the fore. Not only did individual selfishness appear but group selfishness in the form of trade loyalties. It is also likely that the exchange movement suffered from being a small fish in the big pool of radical movements for people to join. These people were probably already involved in a myriad of political, trade union, and other co-operative ventures, which perhaps diluted their energies. Owen was himself guilty of this. Having exposed the weaknesses of the different people involved, it should, however, be re-emphasised that the exchanges would not have succeeded even with people of better ability.

Thompson's conclusion that:

If the Labour Exchanges had been left in the hands of such men as Lovett, the outcome might have been different. ⁵

is clearly incorrect.

From Holyoake onwards, it has been assumed that equitable exchange came to an end in 1834 with Owen's exchanges ⁶. This has been shown to have been by no means the case. Admittedly the British co-operators - with the exception of William King - appear to have been totally disillusioned by the collapse of their experiments in 1833 and 1834. This is not surprising after such high hopes. William King was the only man to try to salvage something from the ruins. Owen himself went on to other things: the Grand National Consolidated Trades Union and the 10 Hour Day legislation.

It has been shown in Chapter Five that beyond 1834 the theory was further studied by Proudhon, Marx and Rodbertus. Proudhon saw equitable exchange fitting into an anarchistic free-for-all. Marx saw it as the scientifically provable justification of the working classes' grievances. Rodbertus studied its application in the controlled economy situation, which we see in today's communist countries. It was Marx's studies that had the most effect for they indirectly inspired further applications of equitable exchange in America in the late 19th century. It has been shown that these writers, whilst studying matters of vital significance to the subject of equitable exchange, drew chiefly upon the Ricardian socialists rather than Owen.

5. E. P. Thompson, op.cit., p.878.

As regards practical applications, Josiah Warren quietly continued his equitable exchange work into the 1870s. It is interesting, though, that it was not Warren who provided the impetus which started the several new applications of equitable exchange in the 1880s and 1890s in America. The inspiration came somewhat circuitously from Marx via German immigrant socialists. New American settlers were willing to try new styles of life, having travelled half-way across the globe to a new start, and many were eager recipients of the co-operative message. Many organised communities were being started by all sorts of well-meaning groups, mostly with some sort of co-operative, socialist or Marxist basis. These, therefore, were the last stand of equitable exchange. Unfortunately, the inability to study the primary source material relating to these communities has rendered impossible any drawing of parallels with the English exchanges in general and Robert Owen's exchanges in particular but it has been shown that the links with their founder had by this time become very tenuous.

In conclusion, the writer would suggest that, although Robert Owen appears to be due the credit for having devised the concept of 'equitable exchange' and with linking labour-time to a new currency, there is little else with which he can be credited. We must remember that even these credits can not be absolutely certain while Fulcrand Mazel's place in the history of equitable remains obscure. Owen largely failed the incipient movement by his erratic attitude towards equitable exchange - at first suggesting it, then ignoring it, later espousing it enthusiastically,

then dropping it and finally denying his involvement in it at all. Having said that, equitable exchange would have failed with or without Robert Owen's leadership, because of the basic economic flaws inherent in its application within a free-market economy.

6. G. J. Holyoake, The History of Co-operation, vol.1, (London, 1875) p.156.

Appendix 1

William King of Charlotte Street, London

This appendix has been put together in order to record more fully the work of William King, who has until now received virtually no credit for his work in the field of equitable exchange. In addition, it is hoped that this appendix will assist in clearing up the confusion that at present exists between William King, the London umbrella-maker, and Dr. William King of Brighton, the author of The Co-operator. The former William King, about whom this appendix is concerned, appears first in the annals of the co-operative movement in July 1827, when, along with a William Manning he organised the 'Union Exchange Society'. Details of this society are recorded in the Co-operative Magazine (Sept 27-Dec 1827), to whom King wrote frequently advising them of the formation and progress of this group. They met in a room at the headquarters of the London Co-operative Society at Red Lion Square to buy and sell goods between each other. King saw this as an application of Owen's 'equitable principle of exchange'. They were the first group to abandon putting the profits from trading into community fund-raising and give the profits to each individual. By December 1827 they were meeting at 10, Pitt Street, Tottenham Court Road and this seems to have continued into 1828. J.F.C. Harrison records in the bibliography to Robert Owen and the Owenites in Britain and America (London, 1969) that a journal called the Union Exchange Gazette was published by them. During 1829 to 1830 he involved himself in a long running series of letters to the Weekly Free Press. - 30.1.30, 9.3.30, 20.3.30., 7.8.30, 21.8.30. 28.8.30. 4.9.30 (R.D.130) with G.R. Skene, J. Tucker and W. Fare. We know from these letters and from a letter in the Birmingham Co-operative Journal that he had been impressed by reports from Paris of the labour bank founded there in 1829. As a result he deliberately set out to try to promote the idea of equitable exchange. To this end, he and some associates, possibly the North Western Association of the Industrious Classes, had printed some 80,000 tracts in 1830. Quite a selection of these survive. Most are signed either Wm. King, 'W.K.' or 'K' but it is possible to detect from the internal evidence of others that they were also the product of King's hand. By late 1831 he was also involved with Owen's Association for the Removal of Ignorance and Poverty by Education and Employment at Gray's Inn Road and was on its working party in December 1831, probably because it had as one of its minor aims, equitable exchange. He soon became disillusioned with the lack of emphasis being put on equitable exchange by the Association and determined to take some practical steps

himself.

He opened The Independent Exchange Bazaar at the Gothic Hall, New Road, Marylebone (now the site of Madame Tussauds, see plate 17) in April 1832. In this project he was assisted chiefly by a Mr MacPherson and a group called the North Western Association of the Industrious Classes. It was conducted by a council of members. This experiment was started without capital and with an arrangement to pay the rent by a percentage of the goods deposited. They had large premises consisting of three floors. 35 trades used it and they transacted £3,000 business per week at its height. All labour was valued equally, at an equivalent of 6d per hour. King was apparently initially troubled at the thought of having left the Owen fold and wrote to Owen in an apologetic tone, explaining the reasons for his actions (R.O. 544). Comments in The Crisis indicate that the Owen camp were not so ready to forgive King's efforts and it is obvious that King eventually came to feel equally antagonistic towards Owen and the Association. In 1832 the Gazette of the Exchange Bazaars was published by George Mudie but it seems to have been chiefly a mouth-piece for King. It published his letters, reported on his and other independent exchanges and attacked Robert Owen's efforts continually. Business at Gothic Hall progressed apparently smoothly until they came into dispute with the owner of the premises over the rent and had to move to a smaller building. This, King claimed, they never recovered from and this exchange closed in 1833. It seem from letters to the Working Bee, the journal of the Hodsonian community at Manea Fen, that King then continued active in equitable exchange activities over the next four years but there are no details of what exactly he was doing. In 1839 he re-emerged in print. In 1839 he was writing frequently to the Working Bee about equitable exchange and he also produced more leaflets - some new, some reprints of the earlier ones. From these we learn of his latest exchange which he variously called the 'Enroled Trading Chamber', the 'Reciprocal Trading Chamber' and the 'Commercial Trading Chamber'. This was at 79 Great Tichfield Street, Oxford Market, Marylebone. (One leaflet also gives an address at the 'corner of Devonshire Street, Portland Road, St Marylebone'.) At this time he was still advocating a nil capital input scheme.

In 1844 he started yet another experiment - the Bank of Industry at Margaret Street, off Oxford Street, with himself as the manager. By April 1846 he declared that he wished to give this up because he claimed the working classes were failing to support it. At the London Bank of Industry he attempted to improve equitable exchange by introducing and three-tier system of goods and notes, aimed at eliminating the gross over- and under-supply of certain goods. He had also decided to abandon dealing in food stuffs. He came round to Owen's position as regards the need for capital. He tried to re-form London Bank of Industry on a larger scale - a joint stock bank of interchange. To this end he published numerous leaflets advertising the scheme which required £30,000 capital in £5 shares but this undoubtedly failed to materialise. In May 1847 the Bank of Industry was still going but it probably ceased to trade not long after that.

After this, is silence apart from a letter from King to Robert Owen of 1852, by which time he had moved to 64 Georges Street.

Writings

a. Leaflets.

Many of his writings are only signed 'W.K.'. A few included on this list have different initials or have no indication of an author and, although these cannot with absolute certainty be attributed to him, the writer has concluded on the internal evidence of the documents that they are by King.

W. King), A Fable for the Times (1832).

A Co-operator (W. King), The Circulating Medium and the Present Mode of Exchange (1832).

(W. King), Notice - The Bank of Industry (1846).

Wm. King, To the depositors of the Bank of Industry and others. Outline of Matters for Consideration (1846).

W. King, To the Depositors of the Bank of Industry (1846).

W. King, Four letters on the Workings of Money Capital [1840].

Wm. King, Bank of Industry/ No.8 Margaret Street/Unconnected with sect or party (n.d.).

W. King, Proposition for a Bank of Interchange (n.d.).

W. K.(ing), Money Dialogue, or a catechism on Money exchange (n.d.). Reprinted in 1845 with the author then 'By a member of the Bank of Industry'.

W. K.(ing), Gothic Hall Labour Bank (n.d.).

W. K.(ing), Currency (n.d.).

W. K.(ing), Currency or the Money Jungle (n.d.) (Also printed as Currency or the Money Juggle).

(W.)K.(ing), The Workings of Money (n.d.).

(W.)K.(ing), The Workings of money Capital (n.d.).

(W.)K.(ing), The Workings of Capital (n.d.). (This is a copy of the above).

(W.)K.(ing), The Workings of Capital at present represented by Money. Part 11 (n.d.).

(W.)K.(ing), To the Useful Working Population (n.d.).

(W.)K.(ing), The Source of Wealth (n.d.),

(W.)K.(ing), To the Makers of Wealth, the useful working population (n.d.).

W. N.(W.King), Banks of interchange- A Letter to T.S.Duncombe Esq., M.P. (1847).

(W. King), Bank of Industry (n.d.).

(W. King), Bank of Industry (n.d.).

(W. King), Objects and Intentions of Banks of Industry. To the thinking and reflecting portion of the public (n.d.).

(W. King), Reasons why orders are not useful in promoting the progressive extension and concentration of Banks of Interest (n.d.).

(W. King), Reciprocal Trading Chamber and Mutual Assistance Society (n.d.).

(W. King), Exchange of Labour (n.d.).

(W. King), London Bank of Industry (n.d.).

(W. King), London Bank of Industry (Press reports) (n.d.).

(W. King), London Bank of Industry (n.d.).

(W. King), To the thinking and reflecting portion of the public (n.d.).

(W. King), To the electors of the borough of Marylebone. A National Circulating Medium (n.d.).

b. Surviving Letters (Co-operative Union Library)

R.D. 52, 130, 458, 544 and 764.

Appendix 2a

National Equitable Labour Exchange Intended Depositors

Seven shoemakers, four tinmen and copperplate workers, one coach-spring maker, five silk weavers, three engravers and copperplate printers, one cotton-stocking weaver, two gold and silver beaters, one last and two boot-tree makers, one warehouseman, two coopers, two bookbinders, two hatters, twenty-seven tailors, eleven straw bonnet makers, one engineer, one marble chimney-piece manufacturer, twenty cabinet makers, one accountant, one butcher, twelve carpenters and joiners, three stone masons, one smith, one upholsterer, one currier, one brush and broom manufacturer, four dress-makers, four printers and book sellers, two stay-makers, four wood turners, five carvers, one poultry, butter and feather-bed manufacturer, one ladies' teacher, one potato merchant, four sawyers, one mathematical instrument maker, one pastry cook, one ready-made linen manufacturer, one working jeweller, one wig maker, one wig maker, two undertakers, three French polishers, two childrens frock and cap makers, one basket maker, one fancy stationer, one chairmaker, one chair and furniture japanner, one ginger-beer manufacturer, two painters and glaziers, one drug manufacturer, one saddle and harness maker, one hair and clothes brush manufacturer, one saddle-tree manufacturer, one paper hanging manufacturer, three bakers, one silk cotton and wool dyer, one picture dealer, one artificial flower manufacturer, one brass finisher, one linen layer, one cheese monger and grocer, one coalmerchant and one nurse.

The Crisis, 1, -(25), 25.8.1832, p.99.

Appendix 2b

Birmingham Branch Exchange Intended Depositors

Anvil & heavy tool maker, accountant & general agent, attorney, artist & print seller, bookseller, baker, brick & lime merchant, button maker(wood & bone), brass founder, brass hinge maker, bricklayer & mason, britannia metal dealer, boot maker, brass caster, brass cock founder, curtain ring & brass weight maker, coach harness smith, coach harness plater, coal merchant, cutler, cabinet maker, copper plate printer, carriage lamp manufacturer, clock maker, cut nail maker, cabinet furniture painter, carpenter & joiner, collar maker, die sinker, drug & colour merchant & dry salter, fancy brush maker, farmer, gilt toy manufacturer, glazier, general toy maker, gun maker & engraver, gun lock filer, gun barrel maker, gun rib forger, heavy steel toy maker, hatter, harness & trace maker, hairdresser, hammer maker, hair & knittingpin maker, iron & steel merchant, jeweller, japanner (best & common), iron bolt maker, jobbing smith, iron bedstead maker, japanned leather manufacturer, joiners tool maker, lock maker, lead and glass merchant, lace manufacturer, letter press printer, lathe & general tool maker, locksmith & bell hanger, malleable iron founder, metal button maker, milliner & dress maker, painter/plumber, plater in general, plane maker, pearl button maker, patten & clog maker, plasterer, pocket hook manufacturer, pressed hinge maker, rent of houses, rope spinner, rule maker, retail brewer, shoeing smith, saddler, surgeon, stationer, silver cutler, shoemaker, stay maker, shoe heel maker, schoolmaster, stone mason, screw - rod iron plate & umbr. spring maker, scale beam maker, stirrup maker, tailor, tobacconist, telescope brush & toasting fork maker, umbrella & parasol maker, victualler, wood/bone & ivory turner, wire worker, watch glass manufacturer, watch hand & key maker, Windsor chair maker.

Birmingham Labour Exchange Gazette, 19.1.1833.

Appendix 3

List of Different Trades whose products might be advantageously received into the Equitable Bank of Exchange

Class 1

Agriculturalists, Baker, Boot and Shoemaker, Butcher, Capmaker, Cheesemonger, Currier and Leather Seller, Earthenware, Flannel Manufacturer, Greengrocer, Grindery, Haberdashery, Hatmaker, Hosier, Milk Seller, Oil Man and Colour Man, Potato Salesman, Soap Manufacturer, Straw Hat and Bonnet, Tailors, Tallow Chandler, Tin Man.

Class 2

Basket Maker, Bell Hanger, Birch Broom Maker, Blacking Maker, Brazier, Brush Maker, Button and Trimming Maker, Carpenter, Comb Maker, Cooper, Cutler (working), Glover, Glue Maker, Hardwareman, Harness Maker, Ironmonger, Japanner, Last and Boot-tree maker, Mat maker, Painting-brush maker, Paper Maker, Patten and Clog Maker, Printers- letterpress, Printers- copperplate, Printers - lithographic, Sack and Bag Maker, Scale Maker, Smith - black, Smith - white, Stationer, Tool Maker, Turnery, Umbrella Maker.

Class 3

Bed and Mattresss Maker, Bedstead Maker, Bellows Maker, Blind Maker - Window, Cabinet Maker, Carpet amd Rug Maker, Carver and Gilder, Chair Maker, Engraver, Fender and Fire Iron Maker, Floor Cloth Manufacturer, Glass - Window, Glass - Cutter, Glass Lamp, Lamp Maker, Linen Draper, Mangle Maker, Measure Maker, Melting Pot Manufacturer, Milliner, Rule Maker, Silk Weaver, Stove Grate Maker, Toy Maker, Trunk Maker, Upholsterer, Watch and Clock Maker.

The Crisis, 1, (15/16) 30.6.1832, p.61

Appendix 4a

Officers of the National Equitable Labour Exchange

Governor: Robert Owen
Trustees: Robert Owen, John Dempsey, John Davis Styles
Directors: Samuel Austin, J.D.Styles, John Savage, Joseph Nash, John Peter.
Council James Braby, William Devonshire Saul, Sampson Morden, John Dempsey, Chas. Tiffen, Thomas Allsop, Robert Wood.

The Crisis, 1, (6), 1.9.1832, p.104.

Appendix 4b

Officers of the Birmingham Branch Exchange

Governor: Robert Owen
Trustees: G.F.Muntz, John Rabone, B.Woolfield.
Sub-director: J.Lewis
Council: Peter Bishop, Thomas Daft, Thomas P.Bragg, George Morton, Richard Freeman, James Morrison, G.F.Muntz, William Hawkes Smith, W.M.Grove, William Fare, J.Rabone, Jonathon Harlow.

The Crisis, 11, (30), 3.8.1833, p.238.

Appendix 5

All Known Equitable Labour Exchanges

DATES	EXCHANGE TITLE	ORGANISERS	ADDRESS
1827-30	Equity Time Store	J. Warren	Cincinnati, U.S.A.
1828-	Not known	Producers Exch. of Labor for Labor Assoc.	Philade- delphia, U.S.A.
1829-	Not known	F. Mazel	Paris
1830-31	Glasgow bazaar	Glasgow Co-op Soc.	London St, Glasgow
1831-33	Community store	Vandeleur & E.T. Craig	Relahine, County Clare
Early '32	Commercial Trading Chamber	W. King & Associates	Portland Rd, London
2/32-8/33	Exchange Bank	1st Western Co-op Union	Poland St, London
4/32-7/33	Gothic Hall Labour Bank	W. King & Associates	New Rd, London
1832-	Not known	F. Mazel	Marseille
8/32-5/84	National Equitable Labour Exchange	R. Owen	Gray's Inn Rd, London
8/32 -	Exchange Bazaar	Central Co-op Assoc	Red Lion Square, London
8/32 -	Lambeth & Surrey E.L. Exchange	Not known	Westminster Rd, London
9/32 -	United Interests Exch. & Mart	Not known	Aldersgate St, London
9/32 -	Not known	N.U.W.C.?	Theobalds Rd, London
12/32 -	1st Metropolitan	R. Owen	Blackfriars Rd, London
3/33 -	1st Union Exchange	Not known	Golden Lane, London
7/33-5/34	1st Provincial	R. Owen	Coach Yard, Bull St, Birmingham
1833-35	Time store	J. Warren	Equity, Ohio.
1838-40	Community store	Hodson	Manea Fen
1839-40	Enroled/Reciprocal Trading Chamber	W. King	Grt Tichfield St, London
1842-45	New Harmony Time store	J. Warren	New Harmony, Indiana, U.S.A.
1844-46	Bank of Industry	W. King	Margaret St, London
1847 -	Time Store	J. Warren	Evansville, U.S.A.
1847 -	Time Store	J. Warren	Utopia, Claremont, Ohio, U.S.A.

1851-63-	Time Store	J. Warren	Modern Times, Long Isl., U.S.A.
1887-92	Colony store	Working Mens Party	Kaweah, Calif., U.S.A.
1894-95	Colony store	Christian Socialists	Altruria, U.S.A.
1897-	Colony store	A.K. Owen	Topolobampo Bay Colony, Mex. Calif
1897-05	Colony store	Gen. Labor Exch. Assoc.	Fulton, Kansas, U.S.A.
1898-06	Colony store	Cooperative Brotherhood	Kitsap County, Nr Seattle, U.S.A.

Appendix 6a

National Equitable Labour Exchange Organisers

Name	Occupation	A	B	C
Samuel Austin	Baker		x	x
Thomas Allsop	Stockbroker / Gent.		x	x
T. Blakeman	Linendraper		x	
James Braby	Wheelwright ?		x	x
T. Bugden	Gentleman	x	x	
Mr. Case	Grocer?		x	
John Dempsey	Tailor & draper	x		x
Charles F. Green	Butcher		x	
Mr. Harnden	-		x	
W. Hoskins	-	x	x	
Logan Michell	Gentleman		x	
Sampson Morden	Pen M/fing Company			x
Thomas Murphy	Coal Merchant		x	
Eleazer Nash	Jeweller		x	
James B. O'Brien	Radical press editor		x	
Robert Owen	Businessman	x	x	
Robert D. Owen	Businessman		x	
David D. Owen	Businessman	x	x	
Mr. Peters	-			x
Mr. Pratt	Grocer		x	
J. Reddish	-		x	
Charles Rosser	Attorney?	x	x	
Mr. Ryland	-		x	
William D. Saul	Wine merchant			x
John Savage	Baker		x	
John D. Styles	Carpenter	x	x	x
Charles Tiffin	Upholsterer?		x	x
Rev. A. S. Wade	Vicar		x	
W. Willis	Oil business?		x	
Robert Wood	-			x

(n.b. This information is gleaned from the Dictionary of National Biography; The Crisis; I. Prothero, Artisans and Politics in early Nineteenth Century London; John Gast and his Times (Folkestone, 1979); the Robert Owen Papers; J. F. C. Harrison, Robert Owen and the Owenites in Britain and America (London, 1969); Post Office Directory of London 1828; Pigots London Directory 1833-4; Post Office London Directory 1841.)

Key: ? indicates likely trade or profession.

A indicates that this person was one of the organisers of the Association for the Removal of Ignorance and Poverty...

B indicates that this person was on the committee formed on 16.7.1832 to organise the 'National' exchange.

C indicates that this person was one of the officers of the 'National' exchange.

Appendix 6b

Birmingham Branch Exchange Organisers

Name	Occupation	A	B	C
Robson Bielby	Accountant		x	
William Boulton	Gentleman	x	x	
T. P. Bragg	Goldsmith			x
Peter Bishop	-			x
S. Burrell	Gilt 'toy' m/f	x	x	
Thomas Daft	Hot-house m/f			x
James Drake	Bookseller/printer	x	x	
George Edmonds	Solicitor	x	x	
James W. Evans	Japanner	x	x	
Richard Freeman	Locksmith			x
W. M. Grove	-		x	
Benjamin Hadley	Pearl button m/f	x	x	
Jonathon Harlow	Printer	x		x
Mr. Michell			x	
W. Hawkes Smith	Manager of foundry	x	x	
Charles Jarvis	-		x	
James Lewis	Die sinker			x
Charles Lloyd	Attorney?		x	
Urban Luckock	Coal merchant	x	x	
James Morrison	Painter			x
George Morton	-			x
G. F. Muntz	Metal rolling	x	x	
R. Owen	Businessman			x
William Pare	Tobacconist	x	x	x
John Rabone	Rule maker		x	x
Benj. Woolfield	Factor	x	x	x

(n.b. This information is gleaned from the following trade directories : Pigot's Commerical Directory 1835; Wrightson's Triennial Directory 1821; White & Co.'s Directory 1849; Carlos Flick, The Birmingham Political Union and the Movements for Reform in Britain 1825-1945 (Folkestone, 1978); J. Sever, James Morrison of The Pioneer (1963) & E. W. Hampton Early Co-operation in Birmingham and District (Birmingham 1928.)

KEY : A indicates that this person was a member of the Birmingham Political Union.

B indicates that this person was on the committee of organisers.

C indicates that this person was an officer of the Birmingham branch.

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- Plate 3. Ralahine note (1831-32). Reproduced in E. T. Craig's The Irish Land and Labour Question (London, 1882), p.75.
- Plate 4. Birmingham Equitable Labour Exchange Note. Dated 22nd July 1833. From original in Robert Owen Memorial Museum, Newtown, Powys.
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- Plate 9. Sample Note by Josiah Warren, circa 1852. Printed in J. Warren's Equitable Commerce (N. York, 1852).
- Plate 10. (? Sample) Note by Josiah Warren, 1858. Printed in G. B. Lockwood The New Harmony Movement (N.York, 1905), opp. p.184.
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- Plate 14. Forms of an Equitable Bank Exchange Books. Reproduced from The Crisis, 1, (15/16), 30.6.1832.
- Plate 15. Front page of catalogue of the sale of fixtures and fittings of the late 'National' exchange. Dated 8th February, 1836. From original in the Co-operative Union Library, Manchester. (R.O.772).
- Plate 16. View of the National Equitable Labour Exchange building at 277 Gray's Inn Road, London. From Survey of London, vol. 24, plate 80.
- Plate 17. View of the Gothic Hall, New Road, Marylebone: venue of the Gothic Hall Labour Bank. Contemporary engraving reproduced, courtesy of Madame Tussauds: the present site owners.

plate 1

No. 1033.	No. 1000.
Time 18 hours.	First London Co-operative Association
Name — J. Tucker.	15 Hours.
Sec G. R. Skene.	James Tucker.
Per Hour.	Secretary, G. R. Skene.
	Per Hour.

plate 2

*FORM OF A LABOUR-NOTE.

London, 59, Poland Street.

First Western Union Exchange Bank.

Note. for Stores. 1882, May 1

No. 387 No. 878

— Deliver Exchange Stores to Members No. 29, or Order on demand to the amount of shillings pence.

s. d.

" ? By order of the Trustees,

W. HAGEMAN.

J. WINNING.

F. R.

N. B. The counterpart on the left hand side of the scale.

plate 3

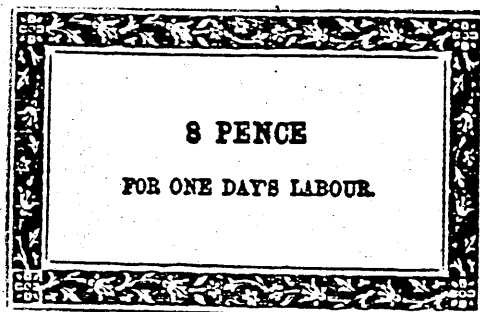


plate 4



plate 5

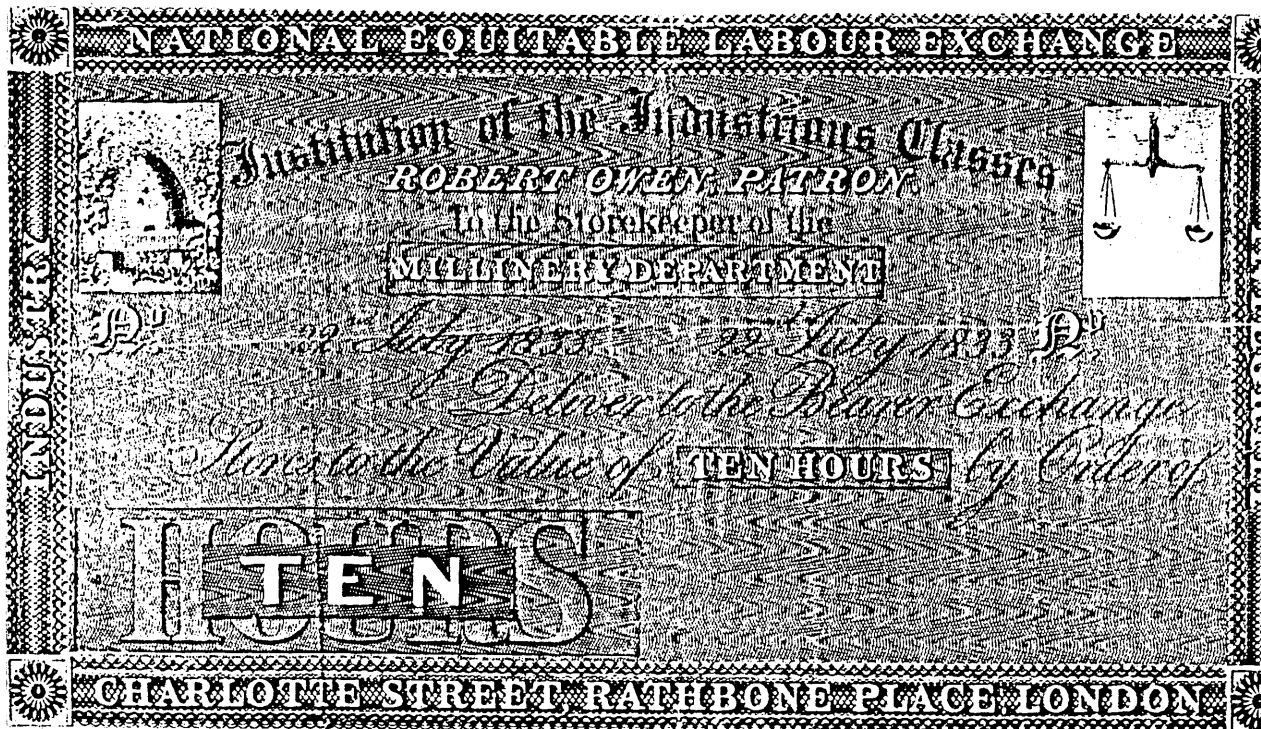


plate 6

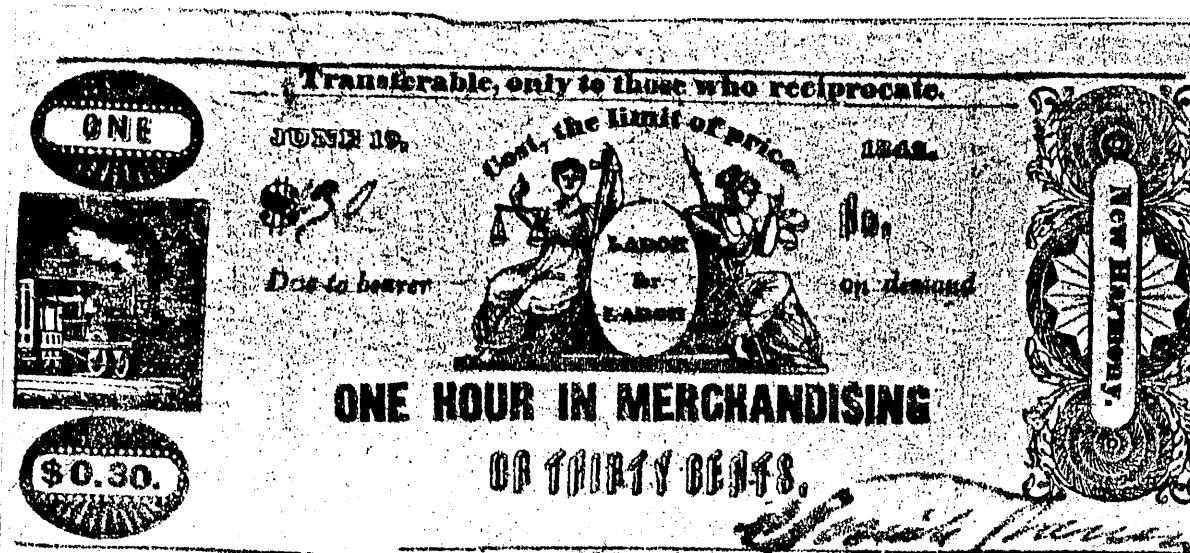


plate 7

THE CAUSE OF OUR NATIONAL DISTRESS

London Bank of Industry

8, Margaret Street, Oxford Street.

TEN SHILLINGS.

Pay to Bearer Goods to the Value of

No. 496 *on Demand* **No. 496**

For the London Bank of Industry

TEN.

Manager.

POWER OF EXCHANGING IT.

IS THAT THE POWER OF

CREATING WEALTH IS GREATER THAN THE

Modèle de Bon d'Echange.

Société Générale d'Exchange,

F. MAZEL et Cie,
PARIS, RUE RANBUTEAU, N° 47.

CACHET
de l'Administration.

BON D'ÉCHANGE DE CINQ FRANCS.

N^o (du Livret):
" (du Bon).

MAGASIN D'ÉPICERIES,

DURAND et Cie.

RUB SAINT-DENIS, No 20:

BON POUR CINQ FRANCS D'ÉCHANGE,

Valeur en ma Souscription, conformément aux Statuts sociaux.

DURAND et Comp.

Délivré à M. GUILLAUME ;

pour être employé dans la quinzaine.

**Vu par le Contrôleur,
BERNARD.**

Paris, le 15 Mars 1849.

F. MAZEL et Comp.

Pour acquit, le

GUILLAUME (*)

(*) Nous donnons ici un modèle de Bon d'Echange pour bien faire comprendre le mécanisme du service d'échange que nous établissons. On voit que l'échangeur fait lui-même son papier, c'est-à-dire qu'il peut battre monnaie, à son temps, à son heure, et selon ses besoins. La Société qui lui sert d'intermédiaire sert en même temps de garant.

ፆ. ጤልረረ ነፎ ዓመዳላኅቻረ.

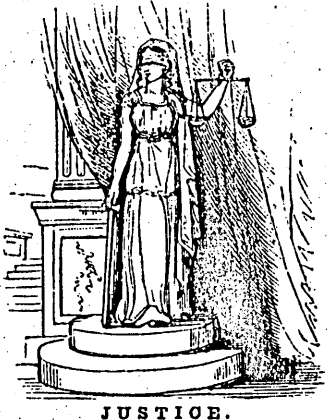
Souche de l'Administration

Souche du sous-épave.

ဘိဇ္ဇာဗျာဓိတေ နှင့် နန္ဒာမာရ

plate 9

Cost the Limit of Price.	THREE HOURS.	NOT TRANSFERABLE.	3-12 POUNDS.
--------------------------	--------------	-------------------	--------------



JUSTICE.

Due to *Sarah Johnson,*

THREE HOURS' LABOR

in Carpenter's Work,

OR THREE-TWELVE POUNDS OF CORN.

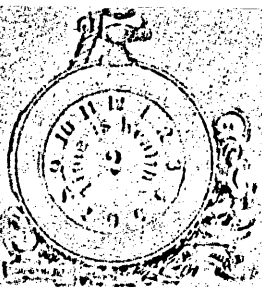
Joseph Peters.

LABOR FOR MEASURE.

plate 10

12

LIMIT OF ISSUE



12

HOURS

Due to _____

Bearer _____

THREE HOURS' LABOR

ACCORDING TO DEMAND, OF TWELVE POUNDS OF CORN

WARREN, PA. 1858

plate 11

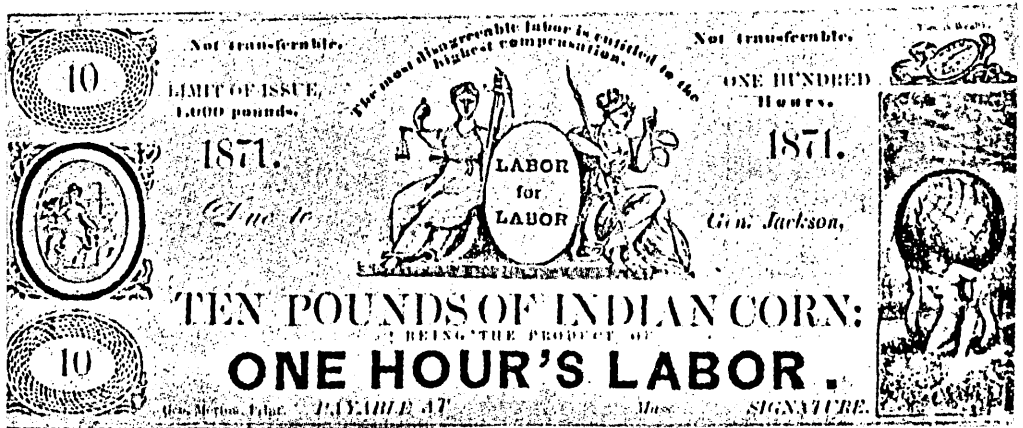


plate 12

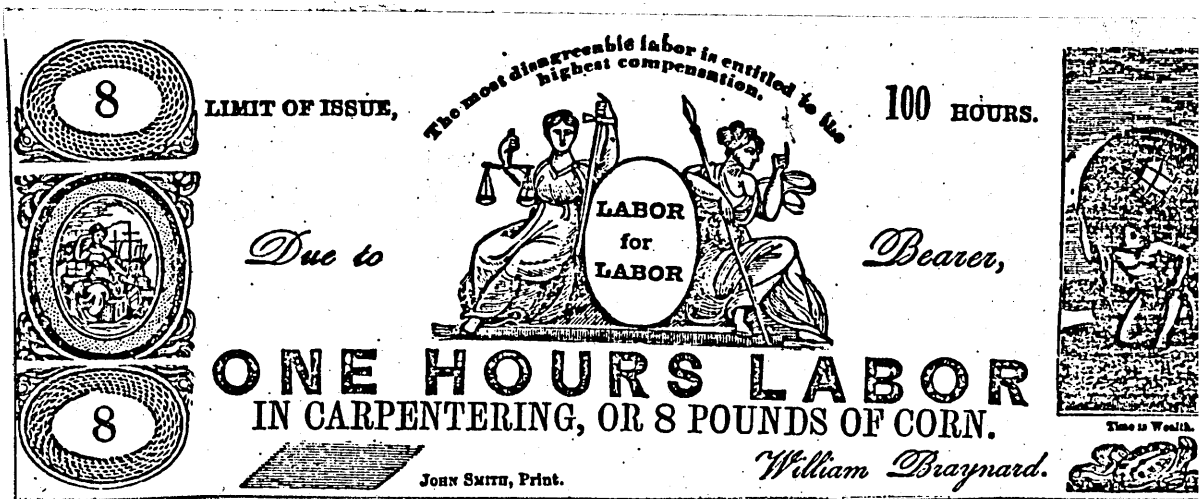


Plate 13

LAW'S

TO BE OBSERVED BY DEPOSITORS

IN THE

BIRMINGHAM BRANCH

OF THE

National Equitable Labour Exchange.

I.—Every person intending to deposit goods in the Exchange must become a Member of the "Association of Depositors," by taking out a quarterly ticket for which he must pay to the Secretary *one shilling* in advance. The Depositors of *provisions* and *raw materials* shall be exempt from this law.

II.—Every Depositor must pay in cash, the commission of 8½ per cent. or one penny in the shilling, at the time of making the deposit. The amount of the commission so paid, must be added to the price of the goods, and will be *tho's repaid to the Depositor* in Exchange Notes. Depositors of *provisions* and *raw materials* shall be exempt from this law.

III.—Every Member who requires it shall have his or her name and address put up in the Exchange, as willing to work for, or to take the notes of the Exchange, in his or her business.

IV.—Any Member of the Association of Depositors, who *ma* at any time be unemployed, may have his or her name inserted in books to be kept for that purpose in the Exchange, that masters who are in want of work-people may know where to apply for them.

V.—Every Depositor must produce his or her ticket at the time of depositing goods, if required by the receivers so to do.

VI.—No Depositor shall be allowed to lend his or her ticket, and any attempt at fraud of any description, shall deprive the Depositor making it, from all further benefit and advantage in the Exchange, for such time as the Managers may think fit.

VII.—Every Depositor must, at the time he delivers his goods, deliver with them an invoice, made on a form to be supplied by the Managers of the Exchange.

COMMITTEE OF APPEAL.

VIII.—A meeting of the Depositors shall be held every month, when a general statement of the business of the Exchange shall be laid before the meeting, and a Committee of Appeal consisting of twelve Depositors shall be appointed, (five to form a quorum) to whom all complaints for the ensuing month shall be made, upon which complaints the Committee shall make such recommendations to the Managers as shall appear to them necessary, and report at the next monthly meeting the way in which such complaints have been disposed of, if required by the meeting so to do.

IX.—The general Association of Depositors shall be subdivided into separate Associations of the respective trades, to be called "*The [Platers'] division of the Association of Depositors.*"

VALUERS.

X.—Each Trade Association consisting of *five or more* Members shall elect one or more Valuers, by ballot, to value the goods in their line to be deposited in the Exchange. The Valuers so chosen may be recalled at any time, by a majority of the Trade Association, and should any of the valuers wish to retire, they may do so, on giving such

notice as shall have been agreed upon between them to their respective trades.

XI.—No Valuer shall be recognised by the Managers until they have received an official certificate of his appointment, signed by the Secretary of the Trade Association by whom he was appointed, and also by the Chairman of the meeting at which such appointment was made.

XII.—In case of any difference between a Valuer and the Managers of the Exchange, as to the value of the goods to be deposited, the Depositor may refer to the Committee of Appeal.

COMMITTEE OF REFERENCE.

XIII.—Each Trade Association shall elect a Committee of Reference, to settle any difference that may arise between a Valuer and a Member of the Trade, should the latter think proper to apply to such Committee.

MISCELLANEOUS TRADES.

XIV.—All those trades in which there are *less than five* Depositors shall form "*The Miscellaneous Division of the Association of Depositors,*" who shall elect one or more Valuers and a Committee of Reference.

REGULATION OF DEPOSITS.

XV.—Whenever the supply of any particular kind of goods exceeds the demand, the Managers shall inform the Valuer, who shall give notice to the trade to suspend a part or the whole of their deposits; as may be required, till further notice.

ORDERS FOR GOODS, OR LABOUR, &c.

XVI.—Should any particular articles be in demand which are not in the Exchange, the Managers shall receive orders for the same, and forward them for execution to the respective Trade Associations. Orders shall also be received for the work of carpenters, bricklayers, painters, and other trades of like description; which orders shall be handed over to the Associations of these several trades, who have taken out deposit tickets.

XVII.—Each Trade Association shall appoint one or more Delegates who shall form a Committee to arrange the general business of the Trades, and to make such bye-laws and regulations as they shall deem necessary for the general benefit.

DEPOSITORS AT A DISTANCE.

XVIII.—Depositors residing at a distance from Birmingham, shall be exempted from such of these laws, the observance of which would, by reason of their distant residence, be inconvenient.

ALTERATION OF LAWS.

XIX.—All alterations in these laws shall be made by a Committee, appointed at a general meeting of Shareholders to consider such alteration, which Committee shall report to a subsequent general meeting, and if their report be adopted, the laws shall be altered accordingly.

FORMS OF AN EQUITABLE BANK EXCHANGE BOOKS.

(A) RECEIPT OF STORES AND VALUATION BOOK.

Date.	Name of Depositor.	Articles Deposited.	Cost of Materials.	Value of Labour.	Total.	Value in hrs.
1832 May 14.	R. Thompson	1 Pr. Shoes . . . 1 Pr. Boots . . . 2 Pr. Slippers . . . 6 Pr. Straps . . .	£ s. d. 5 6 0 13 0 0 2 6 0 2 6 0	£ s. d. 4 0 0 8 0 0 2 6 0 0 6 0	£ s. d. 9 6 0 1 0 0 5 0 0 3 0 0	19 42 10 6
		2 Pr. Half Boots.	12 0 0	9 0 0	1 1 0	42

R. THOMPSON. (Signed by the Depositor)

(B) STOREKEEPER'S RECEIPT.

Date.	Depositor.	Article Deposited.
1832. May 14.	R. Thompson,	1 Pr. Sho 1 Pr. Boc 2 Pr. Slip 6 Pr. Str

W. KEEP. (Signed by Storekeeper, and given to Depositor)

When Goods are left for valuation, the Storekeeper enters a description of them as above in his valuation Book, which is then signed by the Depositor, as an acknowledgement of its accuracy. These articles are examined by the Committee, and if approved, the Storekeeper is directed to issue a draft upon the Bank for their value. The Account is then entered in the Store Book.

When the Storekeeper delivers Draft to the Depositor, the Storekeeper's receipt must be restored him, which he destroys.

(C) DR.

STORE BOOK No. 1.

CR.

Date.	Name of Depositor.	Articles Deposited.	Cost of Materials.	Value of Labour.	Cash Value of each article.	Time Value of each article.	No. of Dft. on Bank.	Amt. of Dft.	Date.	Articles exchanged.	Cash Value of each article.	Time Value of each article.	Cashier's Signature	Pd. in Ban Balan
1832. May 15.	R. Thompson.	1 Pr. Shoes . . . 1 Pr. Boots . . . 2 Pr. Slippers . . . 6 Pr. Straps . . . 2 Pr. Hf. Boots	£ s. d. 5 6 0 13 0 0 2 6 0 2 6 0 12 0 0	£ s. d. 4 0 0 8 0 0 2 6 0 0 6 0 9 0 0	£ s. d. 9 6 0 1 0 0 5 0 0 5 0 0 1 1 0	19 42 10 6 42	No. 1	77	1832. May 15.	1 Pr. Slippers 1 Pr. Shoes . . . 2 Pr. Straps . . .	£ s. d. 2 6 0 9 6 0 1 0 0	4 19 2		
	Do.						No. 2	42		Nts. pd. into Bk. Bal. car. forw'd.	£ s. d. 12 6 0 2 7 0	25	J. Cashr.	
May 16.	Balance brot. forward . . .		0 0 0	0 0 0	2 7 0	94	0	119			2 19 6		Hours.	1

This Account is copied from the Valuation Book, and is balanced at the close of every day, which balance is to be brought forward as above.

All the receipts of the day are to be paid into the Bank in the evening. When the account is made up, the Storekeeper takes his Book and No. to the Bank, which the Cashier acknowledges the receipt of by his Signature opposite the entry.

(D) DR.

BANK STORES BOOK.—(The Stores of Exchange in Account with the Bank.)

CR.

Date.	No. of Store.	Name of Payer.	Notes of each class rec.	Amt. Cash Nte. Bk. fol.	Exd. by	Date.	No. of Draft.	Name of Drawer, & No. of Store	Notes of each class pd.	Amt. Com-mission.	Cash Bk. fol.
1832. May 15	1	W. Keep. Balance Notes in Circulation. . .	— — —	— — —	— — —	1832. May 15.	1 2	W. Keep 1 —	— — —	£ s. d. 1 7 1 0 10 1	
			1 2 2 1 2 3 2 6 2 2 4 4 8 3	25 94 119					2 2 2 3 1 2 2 2 5 2 2 4 4 8 3	77 42 119	2 5 1
May 16.	—	Balance . . .	— — —	— — —	— — —				2 3 2 6 2	94	

This Account will give the Number and amount of Notes removed from circulation, or that have been paid into the Bank daily by the different Stores.

This Account will show the Number and Amount of Notes that have been issued for circulation, and the Number of each denomination.

The Balance of the two accounts will show daily at one view what is the amount of Notes in circulation, and the quantity of each denomination. The person bringing the Drafts for Notes, must pay the Commission in Cash.

(E) DR.

CASH BOOK.

CR.

Date.	Folio Stores Acct.	Amount of Commission.	Date.	Expenses of the Banking Department, &c.
1832. May 15.	To Commission	1	1832. May 23.	By Printing Notes — Salaries — Stationery — Incidental

(F) DR.

CASHIER'S NOTE BOOK.

CR.

Date.	No. of Dft. on Treas.	Store Book Folio.	Notes received.	Total No. of Notes.	Total No. of Hours.	Date.	Store Book Folio.	Notes issued.	Total Number of Notes.	Total Number of Hours.
1832. May 14	1	—	hrs. 100 50 20 10 5 2 1 100 50 20 10 5 2 1	7120	25000	1832. May 15	1	hrs. 100 50 20 10 5 2 1 — — 2 4 4 8 3	21	119

This Account consisting of the Total Receipts and Issues of the day, will show daily the Total Number and Amount of the Notes in circulation, as well as the Number and Amount of each denomination.—It will be posted from the Stores' Account.

(G) DR.

CASH STORE BOOK.

NOTES RECEIVED FOR CASH.

CR.

Date.	Cash.	Notes.	Notes of each class issued.	Exd. by	Bank Str. Bk. fol.	Date.	Notes.	Notes of each class received.	Cash.	Exd. by	Bank Str. Bk. fol.
1832. May 15	To Cash	£ s. d. 5 0 0 2 10 0	By Notes	— — —	— — —	1832. May 15	To Nts	— — —	£ s. d. 0 15 6 1 10 0	— — —	— — —
							Bal.	— — —	2 5 6 5 4 6 7 10 0		1
May 16	Bal. bt. for.	5 4 6		—	1 6 22 55 209			— — —	7 10 0		

The total Amount of Notes received and issued in each day, must be entered in the Bank Stores Book.

(H) PRINTER'S RECEIPT AND DELIVERY BOOK.

Date.	Treasurer's Receipt.	Number delivered	Date.	Printer's delivery.	Number delivered
1832. May 30.	Notes received. O. TREASURER.	20000	1832. May 30.	Notes delivered. J. PRINTER.	20000

The Treasurer should have an Account with the Printer as above.

To prevent forgery it will be absolutely necessary that none of the Blank printed Forms of the Time Notes should be suffered to remain in the hands of the Printer—a confidential Person should be present at printing, to receive all impressions that may be taken.

(I) NOTES ISSUE AND CANCELMET BOOK.

No.	Date of Issue.	Date of Cancell.	No.	Date of Issue.	Date of Cancell.
1 2 to 99			100 1 &c. 99		

It will be highly desirable to have an Account of all Notes that may be issued, with their Date, Number, and when brought in for cancellation, in order to know what average time they last, what number & description are in existence, to prevent fraud, &c. This Account may be kept with very little trouble, having 100 lines in each page; and each page divided into five parts, will render an Account of 500 Notes. When a Note is cancelled, a red ink line should be drawn through the Number and Date of issue, and an entry made of the Date of Cancellation.

(J) DR.

TIME NOTE BOOK.—Treasurer, or Trustees, in Account with the Cashier.

CR.

Date.	Number and Description of Notes prepared.	Date.	Number and Description of Notes issued.
1832. May	hrs. 100 50 20 10 5 2 1 200 300 1000 1500 2000 5000 10000 20000 95000	1832. May	No. Dft. 100 50 20 10 5 2 1 1 50 70 200 300 500 1000 5000 7120 25000

The Treasurer, or Trustees, having received the Notes, causes the Number, Date, and Value of each note to be inserted; after which, the Signature or Signatures, are written, and the Notes are ready for circulation; he must then debit himself as above, with the Number thus completed, and Credit himself by the Number and Amount issued to the Cashier.

(K) COMMISSION TABLE (for the use of the Cashier).

COMMISSION TABLE (for the use of the Cashier).														
Amt. of Dft. Hrs.	Members' 4½ per Ct.		Non-Members' 8½ per Ct.		Amt. of Dft. Hrs.	Members' 4½ per Ct.		Non-Members' 8½ per Ct.		Amt. of Dft. Hrs.	Members' 4½ per Ct.		Non-Members' 8½ per Ct.	
	s.	d.	s.	d.		s.	d.	s.	d.		s.	d.	s.	d.
1	—	1½	—	1½	50	s.	d.	s.	d.	180	s.	d.	s.	d.
2	—	1½	—	1	60	1	0½	2	1	190	3	9	7	6
3	—	1½	—	1½	70	1	3	2	6	200	3	11½	7	11
4	—	1½	—	1½	80	1	5½	2	11	210	4	2	8	4
5	—	1	—	2	90	1	8	3	4	220	4	4½	8	9
6	—	1½	—	2½	100	2	10½	4	9	230	4	7	9	2
7	—	1½	—	3	110	2	1	4	2	240	5	9½	9	7
8	—	1½	—	3½	120	2	3½	4	7	250	5	0	10	0
9	—	2	—	4	130	2	6	5	0	260	5	2½	10	5
10	—	2½	—	4½	140	2	8½	5	5	270	5	5	10	10
20	—	2½	—	5	150	2	11	5	10	280	5	7½	11	3
30	—	5	—	10	160	3	1½	6	3	290	5	10	11	8
40	—	7½	1	3	170	3	4	6	8	300	6	0	12	1
	—	10	1	8		3	6½	7	1		6	5½	12	6

plate 15

**14, Charlotte Street,
FITZROY SQUARE.**

A CATALOGUE
Entire Fittings-up
AND EFFECTS

OF
MR. OWEN'S INSTITUTION

AND
Equitable Labour Exchange,

Consisting of

WOOD & GLASS ENCLOSURES

Of Several Temporary Rooms and Lobbies,

VERY LARGE COUNTERS, GLASS CASES,
Shelving, Sashes,

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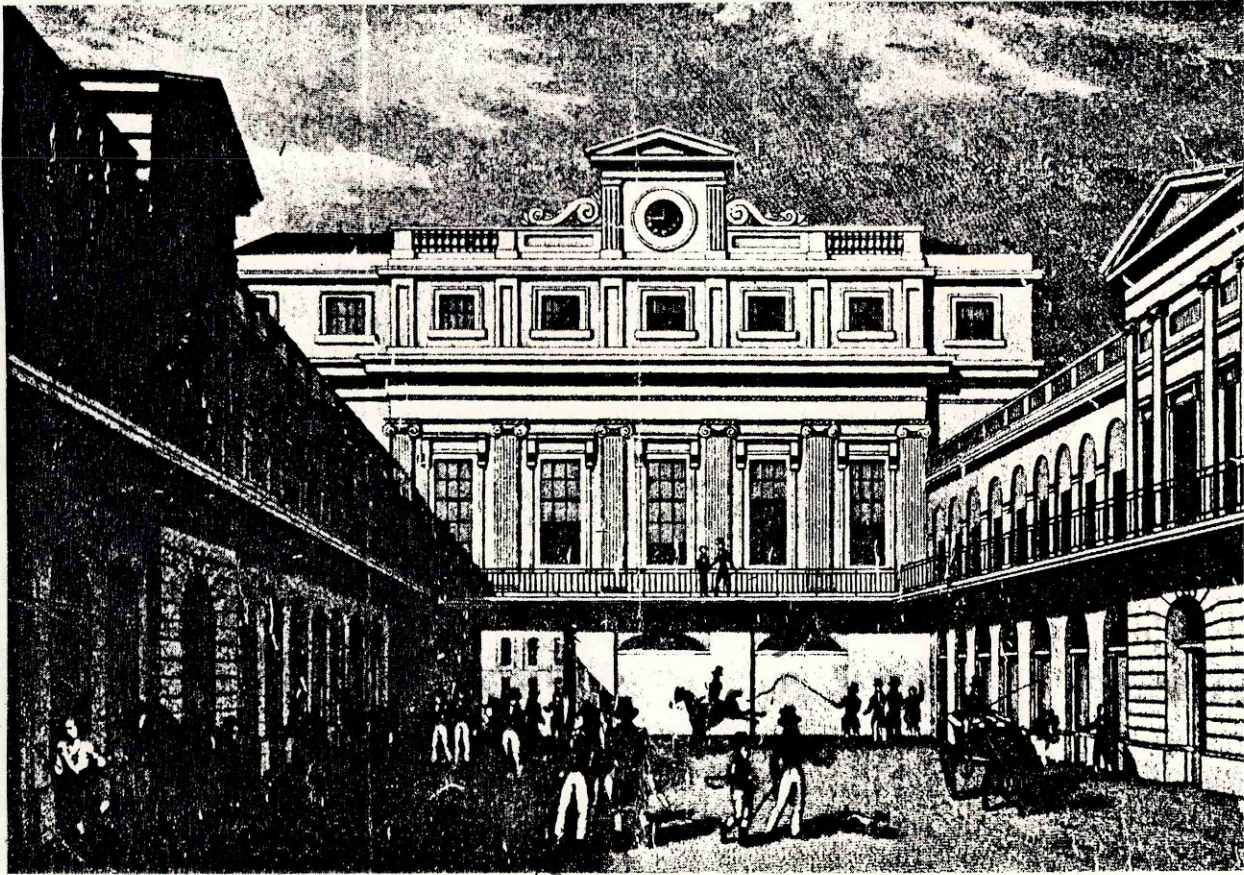
On the Premises,

On Monday, February 8th, 1836,

At 12 o'Clock.

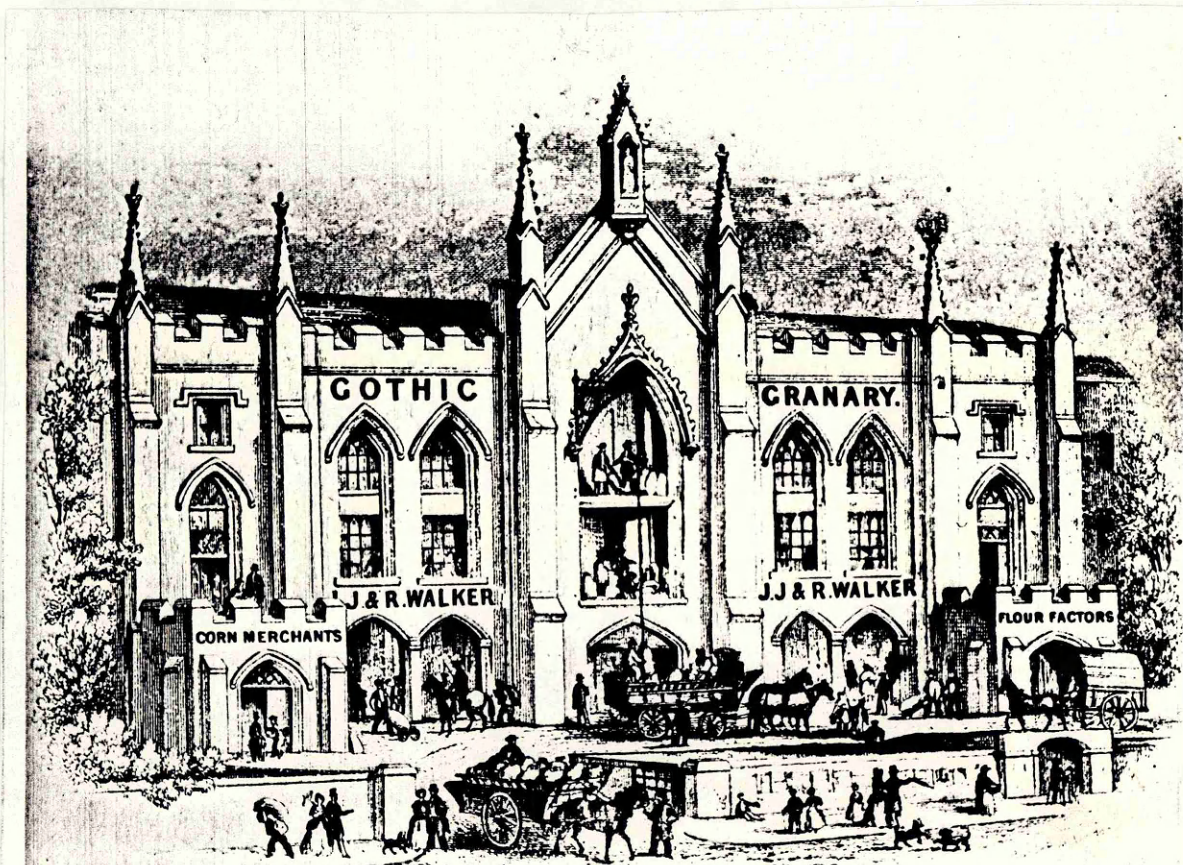
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plate 16



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plate 17



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